Research Study No. 72

IMPACT OF FOREIGN REMITTANCES ON THE ECONOMY OF A RURAL AREA IN KERALA

Agricultural Economics Research Centre

(Estd. 1954)

University of Madras

MADRAS-600 005.

1981

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With compliments of :

Dr. M. SANTAPPA
VICE-CHANCELLOR
UNIVERSITY OF MADRAS
MADRAS-600 005.

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<u>Preface</u>

The rush of job seekers to Gulf and other countries from Kerala and the enormous amount of remittances received by their households have become a topic of interest in the recent past. The impact of such an inflow of money into the State has attracted the attention of the administrators and planners. The effect of the free play of such a prodiguous amount is a grave ponderable.

There are certain pockets in the State from where a very large number have gone outside the country and which in turn receives huge amounts of money. Chowghat taluk in Trichur district is one such and in fact has the largest number of emigrants compared to other taluks in the State. The present study on the impact of foreign remittances on the economy of a rural area is therefore centered in this taluk.

The study has brought to light the factors responsible for the large-scale migration, the remittances received by the households of emigrants, the utilisation of this money, the changes that have taken place in the consumption habits and living conditions of the recipient households and most important of all the social and economic impact of the rash and unprodutive expenditure of the 'noveau rich' on the non-recipients and also the general economy of the area.

MADRAS

We are grateful to the officials at the State, district, taluk, block and village levels for all the assistance they rendered. Our special thanks to Mr. K.V. Nambiar, Member-Secretary, Kerala State Planning Board and also Mr. Kunhan Raja, Project Officer, S.F.D.A., Trichur district for their help during our visits. Above all our thanks are due to the respondents in all the eight villages for their kind co-operation.

C. Arputharaj,
Head,
Agricultural Economics Research Centre.

Madras-600 005,
Date: 31.12.1981.

PROJECT TEAM

Dr.C.Arputharaj, Head of the Centre.	..	General Planning and guidance.
Smt. P.Kamala Devi, Research Officer.	..	Field Investigation, supervision, collection of secondary data and drafting of the Report.
Sri S.Kesavan Nair, Senior Research Investigator	..	Field Investigation.
Sri C. Kunhikannan, Junior Research Investigator	..	Field Investigation.
Kumari B. Anuradha, Statistical Assistant.	..	Tabulation and preparation of analysis tables.
Smt. A. Pushpavalli, Statistical Assistant.	..	Tabulation and preparation of analysis tables.
Sri N.Ct. Natchiappan, Computor.	..	Tabulation.

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CHAPTER-I

INTRODUCTION

The economic activities of an individual revolves round the income or capital available with him and the activities of a large number of individuals or households decide the economic activities of the area to which they belong. There are likely to have changes in the economy, if there is a change in the flow of capital. Consumption, saving and investment are all functions of income and an increase or decrease in income would definitely be reflected in all these functions, even though in varying degrees.

Increase in the flow of money to a particular area is likely to lead to the economic development of the area if it is utilised productively. Income per capita is usually taken to be an index of the economic status of the people. This is so because a study of the per capita income provides some idea, however crude, of the adequacy of performance of the economic system in satisfying human needs.

"Economic development is a process by which a population increases the efficiency with which it provides desired goods and services, thereby increasing per capita levels of living and general well-being".[1] The level of living of the people is judged by the level of per capita expenditure. The primary components of level of living included nutrition, housing, medical care and education. The secondary xxxxxxxxxxxx components

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1. John W. Mellor - "The Economics of Agricultural Development", Cornell University Press, Ithaca, New York, 1966. Page. 3.

are leisure, security and environment. The expenditure on primary component by an average household can be treated as an approximate indicator of the level of living.

One of the important sequences of economic development is change in the pattern of consumption. The volume of consumption in a country clearly depends on the consumption decisions of individual members of the community. The sum total of the amounts which separate individuals spend on consumption is the amount spent by the community as a whole. "Once the starvation level is passed, additional increments of income are associated, for a period at least with increase of the proportion extended for food. This occurs when the food expense is so low that the population feels underfed and intensely desires appetising food."[2]

Hardly any attempt was made in India to study consumer behaviour prior to 1950. This lack of interest in studies of this sort was perhaps due to stability of consumption patterns[3] and also the non-availability of relevant data on household consumption. Since the era of planning started, there had been an increase in the real incomes of the people and this has resulted in a higher demand for consumer articles. According to D.B.Gupta[4] this might have also caused readjustment in the

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2. Zimmerman Carle - "Consumption and Standards of living", D.Van Nostrand Company, Inc, New York, 1936. P.117.

3. Report of the Foodgrain Enquiry Committee, Government of India (1957), P.55.

4. Devendra B.Gupta - "Consumption Patterns in India", Tata McGraw Hill Publishing Co. Ltd., New Delhi, 1973.

demand for different goods.

All these developments necessitated a study of consumer behaviour in India. The availability of data on household consumption on a nation-wide basis since the setting up of the National Sample Survey Organisation in 1950 in India further stimulated interest in Consumer studies. Consumption is a very wide term and includes a number of items. Coming under the category of recurring expenditure are food, clothing, education, medicine, recreation etc. Then there is the expenditure on durable consumer goods.

The steady increase in the expenditure on food items, specially on better and more nutritious food, as income increases had been revealed by the different rounds of National Sample Survey studies.[5] The low income groups in India subsist mainly on cereals and with rise in real incomes the per capita consumption on cereals showed a decline and consumption of protective food increased.

The national income data throws some light on the per capita expenditure in the country. The estimates of final consumption expenditure by the C.S.O reveal certain changes in the pattern of consumption.

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5. National Sample Survey - Reports of the 2nd Round (April-June 1951), 13th Round (Septr.'57 - May '58) and 18th Round (Feb. 1963 - Jan.'64).

Table-II Per Capita Consumption Expenditure in India

(at 1960-61 prices)

Items	1961-62 Rs.	1961-62 %	1974-75 Rs.	1974-75 %
1. Cereals and cereal substitutes	76.9	28.3	77.2	25.6
2. Milk and Milk products	21.6	8.0	21.4	7.1
3. Other food items	66.3	24.5	69.1	22.9
All food items	164.8	60.8	167.7	55.5
4. Clothing and footwear	20.6	7.6	28.9	9.6
5. Fuel and Power	11.3	4.2	10.6	3.5
6. Rents and Taxes	15.0	5.5	14.5	4.8
7. Furniture and furnishings	7.3	2.7	10.0	3.3
8. Medical care and health	5.1	1.9	11.8	3.9
9. Transport and Communications	12.7	4.7	20.6	6.8
10. Education	6.6	2.4	11.2	3.7
11. Other items	27.8	10.3	26.6	8.8
All Non-food items	106.4	39.2	134.2	44.5
Total	271.2	100.0	301.9	100.0

Source: Computed from C.S.O., National Accounts Statistics, 1960-61 to 1974-75.

The directional change indicates an improvement, but since per capita total consumption expenditure increased only by 11.3 per cent during the period, the impact of the directional change is only nominal. The period is also too short to study changes in consumption pattern.

Anyway it has been proved beyond doubt that changes in income brings about changes in the total expenditure as well as pattern of consumption. The direction of changes and the pattern will to a great extent, depend on the economic and social status of the people prior to the flow of additional money in their hands. Desires are not a fixed phenomenon, but exhibit a continuity of changes, the nature of which must be discovered in order to comprehend laws of consumption.[6]

A study by the Agricultural Economics Research Centre, Madras on the income, savings and investment in Palghat district in Kerala revealed that expenditure on food items and incomes showed a high degree of association. For agricultural labour households, as income increased the expenditure was found to be rising with an elasticity of 0.85 whereas for cultivators the elasticity was of the order of 0.39 only. For both the categories the expenditure on food items accounted for 72 per cent of the annual expenditure on consumption.[7]

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6. N.A.Khan - "Problems of Growth of an Underdeveloped Economy".
7. "Study on Income, Savings and Investment in Kerala" - Agricultural Economics Research Centre, Madras 1976 (Unpublished)

Once the food demands are satisfied, additional incomes are usually diverted to savings and investment. Saving is a positive function of income. The desire or ambition to save is one thing and the ability to save is another thing. Low and unsteady incomes usually limit the household's ability to save. So naturally when there is a flow of steady extra money in the households the incentive to save something for old age, emergencies and other responsibilities arises. The amount saved and the method of saving may vary according to the different households depending on the various factors like the total income received, levels of consumption, the previous liabilities, saving habits, facilities available etc. A sustained increase in the per capita income thus increases the level of per capita savings and investment.

The savings in the economy can be expressed as the sum total of savings of the households, Corporate and Government sectors. The household sector which includes non-corporate business enterprises is by far the most important sector for saving in the economy. But the full potential savings are not mobilised. Increments in rural earnings are generally spent in unproductive channels or hoarded in the form of gold, jewellery or ~~xx~~ currency.

Investment is defined as the net addition to the value of assets both physical and financial. The assets held by the people may increase or decrease during a given period for various reasons. An increase in assets occurs owing to purchases of new properties, new constructions, natural increase of livestock, capital transfers etc. A decrease takes place through sale, capital transfers to others etc. The difference between acquisition and liquidation of assets during a given period gives the value of investment made. The savings and investment of a large number of persons or households is definitely likely to have an impact on the economic development of the area,

In the following pages, an attempt has been made to study the impact of huge amounts of money received from foreign countries in recent years on the economy of a rural area in Kerala.

Objectives of the study:

The broad objectives of the present study are listed below:

1. to find out the factors that have led to the large scale migration from this area to Gulf and other countries; the magnitude of foreign remittances; the socio economic conditions of the emigrant households before and after migration etc.,

2. to study the utilization of the income by the recipient households and changes in their expenditure pattern on consumption, savings and investment.

3. to examine the impact of the flow of money to a large number of households on the non-recipients and the economy of the area as a whole.

Methodology:

Trichur district in Kerala State has been selected for the study because this district has the maximum number of 'emigrants', i.e. those who have gone outside the country in search of employment, in the whole state. Out of the five taluks in Trichur district, Chowghat taluk has been selected by following the same criterion. Chowghat taluk has three blocks and of these, Chowghat block has been taken as the area of study, again based on the maximum number of emigrants. Out of the total number of emigrant households in this block, a sample of 150 households has been randomly selected for the purpose of investigation.

A control group of 20 non-emigrant households also has been randomly selected from Chowghat block for comparative study.

CHAPTER II

The Story of Migration - Profile of the Kerala emigrant

This chapter attempts to make an in-depth study of the story behind the huge amount of remittances received by a large number of families in rural areas in certain pockets of Kerala in the recent past. The factors responsible for the migration of thousands of people from this State to various foreign countries have been looked into. Even though the same factors hold good in the case of the entire country, the migrants from Kerala outnumber those from other States.

The supply of Indian labour to foreign countries begins with the East India Company. When colonies were established in Africa and other Far East countries, there was an acute shortage of labour force and the British authorities found that they could get cheap labour from India. This is how Indian labourers reached Malaya, Singapore, Indonesia, Ceylon, Burma, Fiji-Islands and some of the African countries.

It is to be noted that a great majority of those labourers who sought employment outside even in those days belonged to Kerala. While the Punjabi migrants went largely to Britain and Canada, the Malayalees used to flock to Malaysia. The emigration to Far East countries took place

mostly during the II world war. During the fifties and subsequent years there was an enormous flow of Indians to U.S.A. Canada, Britain and West Germany.

The revival of emigration began in the post independence period and has been continuing since then. There had not only been a change in the destination of the emigrants but also in their educational and work experience status. The new type who are generally well-qualified persons seeking prestigious employment was attracted mainly to the countries in the West and the newly liberated countries of Africa. But the number of this type of migrants is limited as a result of the various constraints and the formalities to be observed.

Large-scale migration of persons with little or low educational qualifications and training again became possible by the latter half of the sixties when the Persian Gulf region began on a massive scale to convert its oil prosperity into construction activities. The members started swelling since the oil boom in 1973. One in five passport holders manage to go abroad mainly to the Gulf. This recent flow of Indian job seekers to the newly rich West Asian countries has surpassed, all the previous records of emigration. Most of the people going to Middle East and North Africa are expatriates and not migrants. They go with the express intention of improving their economic position without any desire to permanently

sever ties with India. Those expatriates not only remit funds regularly to their families, but also save to build assets in India. This is clearly brought out by the trend in remittance inflows, which increased only very slowly from Rs.41.4 crores in 1961 to Rs.136 crores in 1970, and then spurted to the present level of around Rs.2500 crores.

These figures are all overly conservative for two reasons. Firstly, they do not take into account merchandise remittances which include not only consumer durables but also some capital goods like commercial vehicles, tractors, etc. Secondly, details of remittances of Rs.10,000 and below are not required to be reported to the Reserve Bank of India by the authorised dealers.

In 1975, remittances from Indians abroad touched Rs.470 crores representing 63.5 per cent of total foreign exchange reserves and making an increase of almost 80 per cent over the previous year. Thereafter there had been a consistently rapid increase to an estimated figure of Rs.2500 crores in 1980[1]. Remittances from Indians abroad during 1970-78 is

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1/ The Man Power Exodus: Business India, July 20 - August 2, 1981, Page 40.

furnished in the table below:

Table II: Remittances from Indians abroad,1970-78
(Rs crores)

Year		Remittances (Net)
1970-71	...	123.2
1971-72	...	162.4
1972-73	...	154.0
1973-74	...	191.3
1974-75	...	297.7
1975-76	...	527.8
1976-77	...	738.8
1977-78	...	1,022.8

Source: Reserve Bank of India Bulletin.

According to a Report published in Finance and Development (December 1980), in 1975 there were nearly 1.7 million expatriate workers employed in the eight major oil-endowed, labour importing countries of the Middle East and North Africa: Algeria, Bahrain, Kuwait, the 'Socialist Peoples' Libyan Arab Jamahiriya, Oman, Qatar, Saudi Arabia and the United Arab Emirates. Over 33 per cent of the expatriates worked in the construction sector, 24 per cent in services, 15 per cent in Trade and Finance and 9 per cent in Agriculture. Of this labour force 46 per cent were unskilled, 28 per cent semi-skilled and 26 per cent skilled workers. There are 4.5 lakhs[2]

2/ The Man Power Exodus: Business India: July 20 - Aug.2 1981,P.61

Indians in the Gulf alone, constituting a large chunk of the local, labour force. There are more than 800 odd recruiting agencies operating in the country.

About 80 per cent of the emigrants to Gulf countries belong to Kerala. The Muslims of Kerala provided the major source of supply of labour in the beginning, since they had for a variety of historical and religious reasons easy access to the region. Later other communities also joined the exodus and the trend is still continuing.

The State of Kerala has thus during the past few decades seen a remarkable outflow of manpower in search of an opportunity far or near, showing a mobility, a spirit of adventure, a surge that is as poignant as it is impressive.

Various factors both push and pull have contributed to this phenomenon. Kerala with an area of 38864 sq.km. is housing about 25 million people. This comes to only 1.2 per cent of the area, but about four per cent of the population of the country. The State has in fact one of the highest densities of population (549 per sq. km.) and one of the lowest land-man ratios (0.18 hectares) in the world. The density of population for the whole country is only 178. The rate of increase in population between the 1961 and 1971 census had been 2.23 per cent. The population according to 1971 census was 213.5 lakhs. The tremendous pressure of population on the

means of subsistence and the backward state of economic development act spontaneously to squeeze people away from the home economy.

With a shrinking man power utilisation in the agricultural sector and a sluggish rate of industrial growth, the State of Kerala faces an acute and worsening problem of unemployment. With the turnover of schools and colleges climbing steeply in recent times - there had been a nearly fourfold increase in the number of matriculates during the last 17 years - educated unemployment including unemployment of scientific and technical personnel, is the most acute. In this situation the people of Kerala and especially its youth have had no alternative but seek alien pastures. The percentage of persons seeking jobs to the total number of unemployed persons is the highest (183) in Kerala, compared to the other States in the country. The 1971 census actually recorded a male outmigration level of 135 per 1000 male population for the State.

The Employment and Housing Survey conducted in February, 1980 revealed the following figures. There are 40.7 lakh households in Kerala. This is 5.3 lakhs more than that in 1971. The members of these families alone amount to about 244 lakhs. Out of this 77.9 lakhs (32.5% of the total population) are economically acute or form the labour force. Of these 34.4 lakhs have permanent jobs, 14 lakhs have no jobs at all and the others are casual and occasional wage earners. Out of the permanantly

employed, 52.70 per cent work for salaries or wages and the rest 47.30 per cent are self-employed. Even taking into account the partially employed, the total number of employed persons will be only 63.9 lakhs (i.e. 82%). The rest 18% are fully employed. This would mean that on an average each employed person has 2.75 dependends.

Besides the above mentioned push factors there were other attractions also which led to this exodus. Factors like the basic requirement of labour power in the Gulf States and the exhorbitant wage rates in these countries in comparison with the deplorably low rates in the home country were very encouraging. Besides, success stories of the early emigrants enhanced the momentum of the further flow. The social impact of the economic betterment and the latent optimism opened the eyes to the facts of thatched buildings turning to terraced mansions, the hues and cries of starving children turning to the perennial music of radios and tape recorders, and nasty smell of unhygenic surroundings turning to the soothing fregrance of sprays.[3]

To measure the enormity of the problem of outmigration in terms of the actual number of migrants or the exact amount sent by them is practically impossible. Different figures are quoted by different sources and all of them are only rough estimates. A study conducted in December 1977 revealed that

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3. "Problems of Indian Emigration to West Asia", Voice of Islam, Jan., 15th 1980, Page.10.

4.32 lakhs of persons have gone out in search of employment. Out of this 1.35 lakhs work outside India. According to another source,[4] the inflow of foreign remittances at the beginning of 1978 was estimated at more than Rs.200 crores per month. The emigrants from Kerala are estimated roughly to be 2 lakhs. Still another source[5] reports that 5,00,000 Indians spread over six Gulf countries remit home Rs.500 crores a year in foreign exchange out of their savings. According to another article,[6] the foreign remittances by Gulf Malayalees alone is estimated to be about Rs.500 crores annually.

Based on remittances to their countries by migrant workers till 1977, the study by an IMF Official, Mr. A.G.Chandravarkar notes that the remittances to India rose from less than $300 millions in 1973-74 to $ 535 millions in 1975, $713 millions in 1976 and $1000 millions in 1977. The other countries getting large remittances include Pakistan, Egypt and the yemen Arab Republic.

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4. Emigration, Inward Remittances and Economic Growth of Kerala - Report of a Survey by Commerce Research Bureau, Bombay.
5. The Economic Times, Feb., 22, 1980.
6. The Hindu, Feb., 5, 1980.

According to the recent Employment and Housing Survey conducted by the Bureau of Economics and Statistics, Kerala, there are 5.10 lakh people working outside Kerala State. Of those 2.03 lakhs work outside the country and the other outside the State. (These figures do not include the members of the family settled permanently outside and those who have accompanied the job seekers). According to this survey, out of the 78,000 persons gone outside the State during the last two years 93 per cent have gone outside the country and of these 90 per cent have gone to Gulf countries. It is seen that even though the population of the State is more or less evenly distributed, the areas from where large numbers have found employment in the West Asian countries are well distinguished. Four districts - Trichur, Malappuram, Cannanore and Trivandrum - have each sent more than 11 per cent of the total number. Together these four districts are responsible for 63.4 per cent of the total number employed in West Asia.

Out of the 5.1 lakh migrants, 2.9 lakhs or 56 per cent have not even secondary education. 68 per cent of these are unskilled workers. Among the 2.2 lakh educated persons, 32,100 have general professional degrees and 10,545 persons have degrees in Engineering and Medicine. Of these, 1.8 lakhs who have only secondary education, 76,000 have technical diplomas or Certificates.

The Employment and Housing Survey also made an attempt to get an idea of the amount of remittancessent by emigrants and also the articles brought by them. But most of the households refused to reveal the truth and the others gave very low figures. Even based on the available figures the remittances from emigrants is seen to amount to Rs.220 crores per year. The actual figures will be much more than this.

Quite xxx a number of families have benefited by the huge amount of money received from their kith and kin toiling in some remote countries. But a probe into all these riches and pomp will reveal stories of sacrifice, suffering and insecurity. The emigration process, espe- cially from interior villages had to face a lot of diffi- culties, since the vast majority of the emigrants came from very poor families. Many had gone to the Gulf by mortgaging what little property they possessed and by selling all their valuables. There are quite a number who after all these ordeals have not xxxx been succeeded in reaching the promised land. There are hundreds xxxxxxxxxx who are languishing in the dingy hotels in Bombay cheated by the agents. The Commerce Research Bureau conducted 1,000 interviews in Kerala. Almost 60 per cent of the emigrants were not only unemployed, but were in heavy debt at the time of emigration. Moreover an overwhelming majority (over 95 per cent) went to the Gulf countries, or most of them

either as unskilled or white collar (clerks, typists, Accountants, etc.) workers.

Not all the emigrants have proper passports and travel documents. There are many who go to the Gulf countries ostensibly on a tourist or transit visa but continued to stay taking up employment there and thereby avoiding the local police. Many have landed in the Gulf countries after hazardous and clandestine voyages in leaky country boats without any residence or work permit. These are mostly illiterate casual labourers who have created law and order problems in the country of their adoption.

Some may have been staying there even with the help of powerful Indian and Arab manipulators who, in turn, may have illegal tie-up with some elements in the local Governments. The continued stay of such people in foreign lands involves a lot of risk and incessant fear. Thousands of such migrants who are totally desolate and completely illiterate line up before the Indian Ambassies of the respective countries with requests for new passports. It often happens that the racketeers recruiting labour from India snatch away their passports and travel documents as soon as they reach Kuwait and the U.A.R. Those passports are major instruments of blackmail by unscrupulous labour contractors for continued extraction of huge commission

from those lucky to get into the 'golden' Gulf. The masters engaging these people make them work 16-17 hours a day for some food, shelter and a token wage. Some even beat their employees. Since most of such visas are illegal, the only solution the authorities can offer is deportation.

One can land in the promised haven if equipped with a passport and N.O.C. The N.O.C. or sponsorship permit may have come from a firm duly registered and contained a firm offer of employment therein with the emoluments to be paid and other conditions of work endorsed. However the work permit does not carry any guarantee of employment in the firm sponsoring the person. Even if absorbed the emolument need not be the same as mentioned in the permit, but much lower.

The person with a valid work permit knocks at other doors until he is able to find a vacancy somewhere, failing which he remains jobless, huddling to some one-room apartment along with several others sharing the same fate, each depending on same compatriot gainfully employed. In the process they lose their health and some of them fall sick and become unfit to take up any tough job. In a bid to protect the intending emigrants from unscrupulous agents, some State Governments have set up their own recruiting agencies. The first State to do so was Kerala. It was

followed by Tamilnadu, Orissa and Maharashtra. Of these, only the Kerala agency can lay claim to being a success, having sent out large numbers already.

The Keralites in U.A.E. can thus be divided into three categories: those with valid visas, passports and job agreements; those who went there on the strength of an N.O.C. (No Objection Certificate) but changed their jobs for better terms and thirdly those who have reached there through launches illegally and without any kind of travel documents.

The lucky ones manage to send back a steady stream of remittances to their families. These remittances totalled around Rs.550 crores during 1977 alone, which is about the size of the Annual Budget of the State of Kerala for the year 1978-79. Besides these legal remittances, about 20 to 25 per cent of this figure is estimated to come through illegal channels.

Apart from remittances, many emigrants are opening non-resident external accounts in Indian Banks. The number of such accounts shot up to 23,000 during 1976 and further doubled to 48,000 during 1977. This steeply rising trend had been kept up in the following two years.

The wage rates in the Gulf countries are exhorbitant. The lowest paid occupation in the Gulf, that of a manual labourer, nets a salary of around Rs.2,000 per month. An

individual doing manual work can therefore send home around Rs.1500 a month to his family. Kerala being the State with the highest percentage of literacy in India, a proportionately larger share of emigrants get into higher-skilled occupations such as those of masons, carpenters, teachers, stenographers, nurses and office staff. A teacher or a stenographer usually sends home about Rs.3000 per month, while a nurse often sends back around Rs.4000 a month.

Some typical salaries are presented below:

Table III

Category		Salary (Rs.per month)
Unskilled workers	...	1,000 - 2,000
Carpenters	...	2,000 - 2,500
Plumbers	...	2,000 - 3,000
Welders	...	3,500 - 4,500
Foreman	...	3,500 - 4,500
Stenos/Assistants	...	3,000 - 4,500

Professionals and those in management position earn Rs.7,000 to Rs.18,000 per month with perks such as accommodation, transport allowances, leave passage for self and family, gratuity, etc.,

The Government of India has devised various schemes to attract regular legal remittances to India by Indians living abroad:

1. Scheme of investment without restriction in any area of activity without repatriation rights for capital and earnings.

2. Scheme permitting investment, with the option to repatriate, by non-resident Indians and persons of Indian origin residing abroad, in new Indian Companies upto 20 per cent of the new equity issue.

3. To encourage setting up of industrial units in India, the Government has introduced a liberalised scheme for non-resident Indians. Such persons are now allowed to make equity investment upto 74 per cent of the project cost and without any such ceiling in the following cases: i) in any of the priority industries, ii) in any other industry, provided an undertaking is given to export more than 60 per cent of the total output, and iii) in any other industry reserved for only the small scale sector with an export content of more than 75 per cent.

4. Scheme permitting non-resident Indians and persons of Indian origin to utilise upto 25 per cent of the foreign exchange brought in by them, for their personal requirements.

5. Non resident (external) rupee account scheme under which the account holder has the benefit of having the amounts received therein remitted outside at his/her will. Moreover, interest income from such accounts is not liable to incometax.

6. Foreign currency non resident accounts scheme under which in addition to the benefits offered under the N.R. (external) rupee account, the account holder does not run the risk of any loss due to fluctuation in exchange rates.

7. Opportunity to invest in UTI , Government securities and national savings certificates. The entire dividend income from such units is free of incometax, and the sale/maturity proceeds can be freely repatriated.

8. Scheme for the priority allotment of cars, scooters, tractors and cement against foreign exchange.

On the whole, leaving apart the bitter and harrowing experiences of a section of the emigrants, it had been a down to earth success story. There was a transformation verbally from rags to riches, which otherwise would have been practically impossible for generations.

CHAPTER-III

Background of the Area of Study

The eleven district of Kerala have each contributed their share in the emigration to Gulf countries, though in different proportions. As between the different regions of Kerala. Malabar has the lion's share and central Travancore the smallest share. The district with the largest number of emigrants is Trichur, followed by Malappuram, Cannanore and Trivandrum. The districts with the lowest share of persons working abroad are Idukki, Ernakulam, Kottayam and Palghat.

Trichur District:

Trichur district is located somewhat in the centre of Kerala State. It is famous for the various cultural activities, traditionally carried out in the district. The presence of the famous Sri Krishna Temple of Guruvayur, the holy St. Thomas Church of Palayar and the ancient Mosque at Kodungallur indicate the traditional cultural background of this district. People from all parts of the country come to this place to witness the annual "Trichur Pooram" festival, in the month of April-May every year. The cultural centre 'Kerala Kalamandal' at Trichur attracts even people from abroad.

The district lies between $10^{\circ} - 10'$ and $10^{\circ} - 46'$ north latitude and $75^{\circ} - 55'$ east longitude. Trichur town is the district headquarters. The area of the district is 2944.72 sq.Km. It has an unbroken coast line of 51.5 Kms. on the west. There are four important rivers, viz. Periyar, Chalakudy, Karuvannur and Bharathapuzha, as also some tributaries of xxxxx these

rivers. All the major rivers have been already harnessed for irrigation dams. The two hydro-electric projects conducted across Chalakudy river serve as the main source of electrical energy for the district.

Trichur district has a typical tropical climate. It has three distinct soil belts with different climatic conditions. In the sandy belt cocoanut is the predominant crop. In the midland where the soil is typical lateritic, multiplicity of crops are grown and in the hilly areas with slopes crops like banana, tapioca, vegetables etc., are grown with paddy in the villages. The speciality lies in the fact that all the three crops, viz. Viruppu (Kharif or Autumn), Mundakkan (Rabi or Winter) and Punja (Summer) are equally important. There are also beautiful and extensive lakes along coastal belt. The soil in these kayal areas contains large organic deposits and are therefore alluvial in nature. Summer paddy is grown here.

The per capita income of Trichur district in 1977-78 at current prices was Rs.915, which is less than the State figure of Rs.987. The district has only the nineth rank and actually in terms of percentage of the State per capita income it has declined between 1970-71 and 1977-78. It may also be noted that the contribution of the Primary sector to the District income declined from 49.1 per cent in 1970-71 to 41.6 per cent in 1977-78 and that of the tertiary sector increased from 31.2 per cent to 38.5 per cent in 1977-78.[1]

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1. Economic Review - 1979, State Planning Board, Kerala.

Communication facilities are well developed in Trichur district. Marketing of the agricultural produce is not a problem since the market at Cochin alone can exhaust and consume any quantity because of the export potential.

The population of the district was 21.29 lakhs according to the 1971 census. The density per sq.km. was 702 as against the state average of 548. The trend of an increasing sex ratio for the district was noted during the decades upto 1951 when it stood at 1102. During the next decade it decreased to 1090 and it has kept up this reverse trend during this decade also by registering a sex ratio of 1081. Still the sex ratio is much higher than that for the state (1016).

A religion-wise break up of the district population in 1971 showed that 49.39 per cent were Hindus, 38.88 per cent Christians, 11.67 per cent Muslims and 0.6 per cent Buddhists. According to the Employment and Housing Survey (1980) the district has 3.93 lakhs households, with a total labour force of 7.1 lakhs. Of these 3.3 lakhs have employment and 1.1 lakhs are job seekers. Out of the 3.3 lakhs employed persons 1.7 lakhs are salaried people or wage earners and the rest self-employed. 2.7 lakhs have temporary or partial employment.

Literacy which was 48 per cent in 1961 shot up to nearly 62 per cent in 1971 in Trichur district. The increase compares favourably with the figures for the State which were 47 per cent and 60 per cent respectively for the two decennial years. The increase in literacy is more marked among females. It increased

by about 15 per cent during the decade, while male literacy percentage increased only by about 11.

The total working population of the district, according to 1971 census was 60[illegible]551. Out of those, 53 per cent were workers engaged in occupations other than cultivation. Among these engaged in cultivation, 14 per cent were cultivators and 33 per cent agricultural workers. The percentage of workers to total population works out to 28.7.

The net area sown was 160,611 hectares (1978-79),[2] which was 53.6 per cent of the total area of the district. About 75,734 hectares were sown more than once and thus the total cropped area in 1978-79 worked out to 236,345 hectares. Even though the net area in this year showed an increase compared to 1970-71, there was a decline in the total cropped area as a result of the sharp decline in the twice sown area.

Paddy is the most important foodcrops grown in the district. The most important perennial crop in respect of area cultivated is cocoanut followed by arecanut. Other important crops are tapioca, banana, cashewnut, rubber etc. Pineapple cultivation is carried out on an organised and systematic manner and there are a number of fruit processing units in the district.

The normal annual rainfall in Trichur district is 3177.4 m.m., which is slightly higher than the state average of 3017.6 m.m.

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2. Economic Review, Kerala, 1979.

The present Trichur district with the exception of Chowghat taluk formed part of the old Cochin State. As a result of the State's Reorganisation Act, and successive changes brought about by the State administration the present district with five taluks came into existence. The five revenue taluks are (1) Thalapally, (2) Trichur, (3) Cranganore, (4) Mukundapuram and (5) Chowghat. There are 17 Community Development Blocks in the district covering 89 Panchayats with 250 villages in all. The details of area and population for the taluks are shown below.

Table-IV Area and Population of Trichur District - Talukwise

Taluks	Area (Sq.Km.)	Population (1971 Census)
Thalapally	663.00	403795
Trichur	635.70	588364
Cranganore	73.06	112975
Mukundapuram	1316.00	590317
Chowghat	306.10	433346

As has been mentioned earlier, the selection of the district fell on Trichur, since it had the maximum number of out-migrants in the State, as could be seen from the table below.

Table-V Number of persons from Kerala employed outside the State (as on February 1980)

Districts	In other States in India and outside India	Outside India
Trivandrum	~~3,4567~~ 34,567	22,769
Quilon	~~6,4271~~ 64,271	21,639
Alleppey	~~81,252~~ 81,252	21,364
Kottayam	~~2,3323~~ 23,323	7,094
Idukki	~~2,286~~ 2,286	597
Ernakulam	16,354	5,128
Trichur	92,269	40,224
Malappuram	54,315	36,175
Palghat	42,749	7,735
Kozhikode	34,014	17,731
Cannanore	64,188	27,369
State	509,588 509,588	207,825

Source: Report on the Employment and Housing Survey, Bureau of Economics and Statistics, Government of Kerala, Trivandrum.

Nearly one fifth of the total number of persons gone outside the country are from Trichur district. Out of the 40,224 persons, 37818 or nearly 95 per cent have gone to Gulf countries. Of the 92269 persons working outside the State 59804 persons do not have even secondary education. More than 50 per cent of them (37340) are unskilled workers. Out of the 26509 persons with secondary education 11136 have technical diplomas or certificates. 4289 have professional degrees and 1667 have technical degrees.

The important taluks in Kerala State with more than 30 persons employed outside India per 1000 population are presented in the table below.

Table-VI Taluk-wise Distribution of Emigrants

Taluks	Emigrants outside India
Chirayinkil	15,884
Pathanamthitta	6,172
Karthigapally	1,968
Mavelikkara	3,497
Chengannur	4,707
Thiruvalla	8,824
Kodungallur	4,760
Chowghat	17,160
Trichur	5,864
Talappilli	6,121
Ponnani	6,401
Tirur	21,035
Badagara	10,502
Cannanore	9,416

Source: Report on the Employment and Housing Survey, Bureau of Economics and Statistics, Government of Kerala.

Tirur taluk in Malappuram district tops the list, and Chowghat taluk in Trichur, which is the district selected for the study ranks second. Out of the 40,224 persons gone outside the country from Trichur district 17,160 or nearly 43 per cent are from Chowghat taluk.

Chowghat taluk:

Among the five taluks in the district, Chowghat had the highest density of 1416 persons per sq.km.(1971 census), which is more than double the district figure of 702 and nearly three times the State average of 548. The density of population in Chowghat in 1961 was only 1171. The growth rate of population per annum was 2.39.

The sex ratio showed a slight decline from 1174 in 1961 to 1162 in the 1971 census. This was also on the high side compared to the district and State figures of 1081 and 1016 respectively. The average size of family in the taluk worked out to 6.38.

The percentage of working population to total population, as per 1971 census was 26.0 in Chowghat taluk, as compared to 29.0 for the district. The literacy rate was 38.1 per cent, lower than the district rate.

Paddy and Coconut are the main crops grown in this area. In recent times paddy cultivation is on the decline. More and more of paddy lands are filled up and brought under coconut cultivation, since it is found to be more paying. According to the 1980 Survey on Employment and Housing Chowghat taluk has 58,194 households. The total labour force is 84876, of whom 42306 are permanently employed and 8431 unemployed. Of the employed people 25,285 are salaried people or wage earners and the rest self-employed 34,139 persons have temporary or occasional employment.

From Chowghat taluk 17160 persons have gone outside the country and of them 16278 are to Gulf countries. Out of the total of 25603 persons gone outside the State in search of employment 19688 persons do not have even secondary education and only 6041 of them are skilled workers. Out of the 4930 secondary educated persons 2269 have technical diplomas or certificates. 731 are professional degree holders and 254 technical degree holders.

Chowghat taluk has three blocks in it, viz., Chowghat, Mullasery and Thalikulam. On the basis of the discussions with the taluk officials it was found that Chowghat Block has the maximum number of emigrants. This has been further proved correct by the findings of the survey on Employment

and Housing by the Bureau of Economics and Statistics, Kerala. The number of emigrants from the blocks are 7634, 3121 and 3880 respectively.

The block and town wise classification according to this survey showed that there are only four towns and blocks from where more than 5,000 people are employed in the Gulf region. These are Chirayinkil (5,272) and Varkala (5,836) both in Trivandrum district, Chowghat (6,962) in Trichur district and Tanur (6,536) in Malappuram district. Together these four account for 13.2 per cent of all the Keralities employed in West Asian countries.

Chowghat Block:

According to 1971 census Chowghat Block had a population of 144,973 (66,159 Males and 78,814 females) spread over 22,237 households. The percentage of literacy was about 59 per cent for males and 49 per cent for females. Since the census of 1971 there had been some transfers of certain areas between the blocks and perhaps as a result of this the total number of households in Chowghat Block according to the 1980 Survey on Employment and Housing is given as 20,381.

The total labour force in the Block according to the Survey is 28,235, of which 15685 have permanent employment, 9625 have occasional employment and 2,925 are unemployed and seeking jobs. Of the 15,685 fully employed 11,649 are salaried and the rest are self-employed.

From Chowghat Block 7634 persons have gone outside India in search of employment and out of them 6962 are in Gulf

countries. The total number of persons gone outside the State is 10213. Out of them 8548 do not have been secondary education and 5815 of them are unskilled workers. Of the 1346 persons with secondary education 727 have technical diplomas or certificates. 220 have professional degrees and 109 have technical degrees.

Chowghat Block has eight villages in it. The approximate number of persons gone out from each village and their destination are furnished in the following table.

Table-VII No. of persons gone abroad

Sl.No.	Name of the Village	UAE*	Qatar	Saudi-Arabia	Omam	Other Countries	Total
1.	Orumanayur	1576	591	221	293	253	2934
2.	Manathala	739	412	112	176	222	1661
3.	Punnayurkulam	532	147	38	146	235	1098
4.	Punnayur	464	82	17	77	165	805
5.	Vadakkekad	396	128	24	86	158	792
6.	Thaikkad	439	65	43	127	95	769
7.	Guruvayur	323	52	37	98	82	592
8.	Pookode	287	45	28	65	54	479
	Total	4756	1522	520	1068	1264	9130

Source: Block Development Office, Chowghat.

* The UAE comprising of seven Sheikdoms including Dubai, Abu Dhabi and Sharjahhas a population of 8.60 lakhs, almost half of whom are expatriates or aliens. Among the 2.5 lakh Indians, Keralites are around 1.5 lakhs.

It is understood that about 10,000 persons have gone abroad from this particular Block. The maximum number has landed up in United Arab Emeritus (UAE) and the minimum in Saudi Arabia. Having the maximum number of emigrants Chowghat is perhaps the biggest beneficiary of the Gulf money flowing

into the state. Chowghat's four banks receive between them about Rs.5 lakhs daily, the UAE accounting for the major share. But 90 per cent of this huge sum is withdrawn almost immediately by family members of the emigrants to make a better living.

A write up on the villages are provided in the follwing few pages. The changes noticed in these villages between the base year (1971) and the reference year (1979-80) are also mentioned.

<u>Orumanayur:</u>

Orumanayur village covers an area of 1490.03 hectares and has 3822 households. The total population according to 1971 census was 24,797 of whom 10995 were males and 13802 females. The major communities in the village are Muslims, Hindus and Christians. The Block and taluk headquarters at Chowghat are 3 Kms. and 4 Kms away respectively. The district headquarters at Trichur is 35 Kms. away.

The nearest bus stand is at Guruvayur, 5 Kms. away, but the nearest railway station is only at Trichur. The nearest harbour and airport are at Cochin, 70 Kms. away. The village has a post and telegraph office. The other institutions in the village are one Co-operative Society, one Commercial Bank, one Ayurveda dispensary, two Lower Primary School, one Upper Primary School, one High School and one library.

Coir industry is the only industry in the village providing employment to the local people.

The land utilisation pattern does not show any significant change during the past decade. Nearly 75 per cent of the total geographical area is cultivated.

Paddy and cocoanut are the main crops, even though there is a change in the cropping pattern recently. Most of the paddy lands are being converted into cocoanut lands. Paddy cultivation requires timely attention and a lot of labour. The high cost of wages and the difficulties of getting labourers in time are mainly responsible for the vast conversion of paddy lands into cocoanut farms. Initially the process involves high expenditure because the area has to be filled and raised. But the recurring expenditure is much less.

The buildings especially residential houses in the village have undergone changes in the recent years. The percentage of terraced houses increased from five to 40 and tiled houses from 30 to 40. At the same time thatched houses dwindled from 65 to 20 per cent. In 1971 only 10 per cent of the houses were electrified, whereas the number rose to 60 in 1979-80. One house is going to be airconditioned very soon.

The only major equipment used in the village are electric pumpsets, whose number increased from one to five. The number of owner driven cars increased from six to 95 and cycles from 25 to 123. There are two motor cycles and 11 scooters in the reference year which were conspicuous by

their absence in the base year. The number of transisters rose from 100 to 1900. There are four radios also. It is interesting to note that there are 30 refrigerators and 900 stereos in this small village.

The number of hotels and stationery shops increased from two to four and four to 12 respectively. Two textile shops and one shop dealing with electrical goods have sprung up during the intervening period. Provision stores increased fxxx five fold from five to 25, liquor shops from one to three and mutton shops from two to five.

More than anythingelse the rise in the rates of wages and prices of essential commodities has been xxxx spectacular. The wages of agricultural labour for males increased from Rs.10 to Rs.20 and that of females from Rs.4 to Rs.10. The increase was more in the case of non-agricultural labour. Carpenters and masons demand between Rs.25 to Rs.30, whereas they were paid only Rs.10 to Rs.12 in 1971.

Prices of agricultural produce increased fourfold. Fish which was only Rs.7 per kg. costs Rs.25 to Rs.40 a kg. and meat prices rose from Rs.5 to Rs.22 per kg. The increase in the cost of beverages was about 3½ times, i.e. from 10 paise to 35 paise. Price of liquor per bottle of 650 grammes rose from Re.1 to Rs.4.

The increase in the prices of land, both wet and dry in the area is beyond ones' imagination. Price of wet lands increased from Rs.100 to Rs.3000 per cent and dry lands from Rs.500 to Rs.6000 per cent in certain areas. The cost of

raising the level of the lands for purposes of house construction along with the high demand for lands for this purpose had been responsible for this.

The mode of remittances from the foreign countries to the residents are mostly by Drafts through the Commercial Bank operating in the village.

Manathala:

This village in Chowghat Municipality has an area of 890 hectares, with 5112 households. The total population of the village is 30043, comprising of 13943 males and 16100 females. The major communities are Hindus and Muslims.

The village is 23 Kg. away from the district headquarters. There is a bus stand at Chowghat, but the nearest railway station is at Trichur and the nearest harbour and airport are at Cochin, 99 Km. away. Postal and telegraph facilities are available at Chowghat itself.

The banking institutions, functioning in the village are two Co-operative societies, one Agricultural bank and three Commercial banks. There is one market in the village. Regarding educational institutions, there are two High Schools. The village has three Government and one private hospitals. There are no major industries in Manathala. Beedi making is practised as a cottage industry.

A comparision of the land utilization of the village at present with that of the base year revealed that the extent of geographical area has remained the same. There is

a very small increase in the gross cropped area as a result of the increase in the net area sown. The cropping pattern also has not changed, except for the fact that the additional land brought under the plough is used for cocoanut cultivation. Paddy and Cocoanut are the major crops in the village. The number of electric pumpsets in the village increased from five to 60 during the period.

There is a marked increase in the number of vehicles in the village. Cars including owner-driven taxis increased from five to 250 and autorickshaws, motor cycles and scooters which were conspicuous by their absence in 1971 were seen plying in the village. There are 10 autorickhaws, 20 motor cycles and 25 scooters.

Hotels increased from two to six, textile shops from five to ten, shops dealing in building materials from one to four and stationary shops and provision stores from three to ten. Liquor shops increased from five to ten and mutton shops from two to eight. Now there are two cinema theatres in the village, whereas in 1971 there was only one. The three Commercial banks and two nursing homes were not there in 1971.

Wages, both agricultural and non-agricultural increased enormously in the intervening period. The wages of male agricultural labourers showed a five fold increase from Rs.5 to Rs.25 and for females from Rs.3 to Rs.10. Non-agricultural labour also showed similar increase in wages. Skilled labourers were blessed maximum by dame luck as their wages seem to have gone up from Rs.8 to Rs.30. Naturally

this spiral had been reflected in the prices of essential commodities, especially food items.

Land values shot up without any rhyme or reason. The demand for dry lands increased as a result of the spurt in house construction, price of wet land increased to Rs.6000 that of dry lands to Rs.10,000.

Punnayurkulam:

This village extends to an area of 1870.70 hectares. There are 3300 households with a population of 20,861, out of which 9,678 are males **and** 11,183 females. (1971 census). The population consists of mainly Hindus and Muslims.

Punnayurkulam is 37 Km. away from the district head-quarters Trichur and 16 Km. away from the taluk and block headquarters. There is a bus stand in the village, but the nearest railway station is at Trichur. The nearest harbour and airport are at Cochin, 113 Km. away.

This village does not have a High School. There are two Upper Primary Schools and nine Lower Primary Schools. There are two libraries and five hospitals. One Co-operative Society is functioning in the village. Recently a Commercial bank was also started. Basket making is done in the village as a cottage industry.

Out of the total geographical area, the net cultivated area is 1398.17 hectares. Out of this 114.16 hectares are cropped more than once and thus the gross cropped area works out to 1512.33 hectares. Paddy and Cocoanut are the main

crops. Paddy is grown on 717.43 hectares. There is no change either in the pattern of land utilisation or the pattern of cropping in the last decade.

There are approximately 5000 buildings in the village, of which 25 per cent are electrified. Nearly half the number of buildings are thatched. The rest are either tiled or terraced.

The number of institutions like hotels, textile shops, stationary shops, provision stores, mutton shops etc., have increased by two or three times during the decade. One shop dealing in electrical goods, three shops dealing in building materials, one nursing home and one petrol bunk are of recent origin. Surprisingly there is no addition to the only one cinema theatre in the locality.

The spurt in the wage rates, prices of essential commodities land values etc., are almost on the same lines as in the villages covered earlier.

Punnayur:

Punnayur village has an area of 1660.24 hectares. There are 4618 households in the village. The population according to 1971 census was 20901, comprising of 9712 males and 11189 females. The main religious communities are Hindus, Muslims and Christians. The block and taluk headquarters are at Chowghat and are 10 and 12 Km. away respectively. The district headquarters at Trichur is 45 Km. away. Bus facilities are available at the nearby village Punnayurkulam. Trichur is the nearest railway station and the nearest airport and harbour are at Cochin, 70 Km. away.

Postal facilities are available in the village.

There are two banks, one co-operative and one Commercial functioning in the village. The village has a library and a dispensary. Of the 12 educational institutions there are Lower Primary Schools, three Upper Primary Schools and one High School. The village has three nursing homes.

The land utilisation pattern in this village has not shown any change. Paddy and Cocoanut are the main crops. Out of the 1660.24 hectares 1575.16 hectares are cultivable and 85.08 hectares poromboke.

The number of vehicles in Punnayur has increased very much. There are 10 owner-driven cars, 15 taxis, five motor cycles, two scooters, two lorries and 300 cycles in the village. The number of durable consumer goods [illegible] possessed by the households have also increased. Ten households have oil engines in their houses.

There are three hotels, three textile shops, 25 stationary shops, three liquor shops, six mutton shops etc. in Punnayur.

The rising trend in the rates of wages, food and other agricultural produce etc., is prevalent in this village also. Land values soared up and prices of wet lands increased from Rs.50 to Rs.2500 and that of dry lands from Rs.200 to Rs.6000 per cent. Most of the paddy areas were converted into grounds for house construction. The increasing demand for construction sites and the expenses

involved in raising the level of the previously cultivated lands have resulted in the higher cost of dry lands.

Vadakkekad:

Vadakkekad village covers an area of 1371.63 hectares. It has 3006 households with a population of 18272, of whom 8240 are males and 10032 females. The major communities are Hindus and Muslims.

The district headquarters at Trichur and the taluk headquarters at Chowghat are 33 and 12 Km. away respectively. The nearest bus stand is 8 Km. away at Guruvayur and the nearest railway station is at Trichur. The village has a post and telegraph office.

Vadakkekad has a Co-operative Society, one Agricultural Bank, one Commercial Bank and one library. Out of the 11 educational institutions one is a High School, four Upper Primary Schools and six Lower Primary Schools.

The pattern of land utilisation remained the same. The net sown area and the area sown more than once were 1331.34 hectares and 46.15 hectares at both points of time. About 450.60 hectares were sown with Paddy and 926.90 hectares under cocoanut. At the time of the survey there were two tractors and 50 electric pumpsets in the village.

The number of cars in the village increased from five to 30 and in addition there were 40 cars plying as taxis. Motor cycles increased from five to 25 and bullock carts from one to three. There are three lorries also in the village.

While an increase in the number of shops dealing with building materials, stationaries, provisions, liquor, mutton etc. were noticed, it was surprising that the number of hotels decreased from four to two and textile shops remained the same.

Vadakkekad village is also experiencing the spurt in the prices of wages, agricultural produce and other items of consumption. Value of wet lands increased from Rs.150 to Rs.3000 per cent and dry lands from Rs.500 to Rs.5000.

<u>Thaikad:</u>

The area of this village is 988.23 hectares. There are 1696 households with a population of 10,842 comprising of 4342 ~~xxx~~ males and 6500 females. Hindus, Muslims and Christians constitute the major communities.

The block and taluk headquarters are 5 Km. away at Chowght and the district headquarters 16 Km. away. The nearest bus stand is 1.6 Km. away at Guruvayur. The nearest railway station is at Trichur. ~~There is a post office at~~ There is a post office at Thaikad, but telegraph facilities are available only at Guruvayur.

There is one Co-operative Society, one Agricultural Bank and one market in the village. The educational institutions are one High School, one Upper Primary School and seven Lower Primary Schools. One Ayurvedic dispensary is functioning in the village.

There is no change in the land utilisation pattern during the last decade and the net area sown and area sown

more than once remained at 771.59 hectares and 286.79 hectares respectively. The cropping pattern also is the same with 573.58 hectares under Paddy and 484.80 hectares under cocoanut.

Except for the two new shops dealing in building materials, there are no additions to the other establishments like hotels, provision stores, textile shops etc.

Wages of agricultural and non-agricultural labour and especially skilled ones like carpentry and masonry showed a sharp rise during the intervening period. Value of wet lands increased from Rs.100 to Rs.5000 per cent and from Rs.400 to Rs.8000 per cent for dry lands.

Guruvayur:

Guruvayur is actually a township and covers an area of 748 hectares. There are 2838 households and according to the 1971 census it has a population of 15,863 comprising of 7451 males and 8412 females. Nearly 70 per cent of the population are literates. Hindus, Muslims and Christians are the major castes in this area.

The Block and taluk headquarters are at Chowghat about 2.4 Km. and 4.5 Km. away respectively. The District head-quarters at Trichur is 32 Km. away and all these places are accessible by bus. There is a bus.stand at Guruvayur. The nearest railway station is at Trichur and the nearest harbour at Cochin 120 Km. away. There is a post and telegraph office in the area itself.

Guruvayur is a pilgrim centre and the place has achieved its importance mainly because of the famous Sri Krishna Temple. Hundreds of devotees visit the temple everyday throughout the year. There is a sanctity about the entire place because of this temple and a number of hotels and tourist homes thrive on account of the large number of people coming to the temple daily.

There are two co-operative societies and one district Co-operative Bank in Guruvayur. Five Commercial banks are also functioning in the area. Regarding educational institutions, there are six Lower Primary Schools, two Upper Primary Schools, two High Schools and one College. Three libraries are functioning in the village. There are two hospitals and one of them gives only Ayurveda treatment. There are no market areas as such, but there are a number of shops selling items of daily requirements. One rubber factory in the area gives employment for more than 50 persons.

The occupational pattern in the village based on a socio economic survey conducted in 1969 by Guruvayur Township is shown in the next page.

Table-VIII.

Sector of activity	Percentage of workers
Cultivation	5
Agricultural Labour	27
Fishing, Mining, forestry and livestock	1
Household industry	9
Manufacturing industry	3
Construction	2
Trade and Commerce	13
Transport and Communication	5
Other Services	35
Total Work Force	100

Source: Office of the Guruvayur Township.

The increase in the wages of agricultural and non-agricultural wages had been very high, as in the other villages. Land values spurted to Rs.5000 for wet lands and Rs.10000 for dry lands per cent.

Pookode:

Pookode village covers an area of 1001.58 hectares. There are 2277 households. The population is 13897; with 6356 males and 7541 females. Hindus and Muslims constitute the major religious communities.

The village is 9 Km. away from the block and taluk headquarters at Chowghat and 30 Km. away from Trichur. The nearest bus stand is at Guruvayur and nearest railway station at Trichur. The village has post and telegraph facilities.

The village has three Co-operative Societies, one Agricultural Bank, one Commercial Bank, one hospital [illegible]

three libraries. The educational institutions are one High School, three Upper Primary Schools and three Lower Primary Schools.

As in the other villages studied the net area sown and the gross cropped area did not show any change here also. The net area sown is 968.04 hectares and the area double cropped is 245.58 hectares. 491.16 hectares were under paddy and 722.47 hectares under cocoanut.

The village has a tractor and 100 electric pumpsets. There are a good number of vehicles in Pookode village. From just about 100 cycles and 15 bullock carts in 1971, the number of vehicles increased to 20 owner-driven cars, five taxis, five motor cycles, five scooters, two lorries and 300 cycles. The number of bullock carts declined to five.

The number of durable consumer goods possessed by the households also showed a marked increase. Radios and transistors increased fourfold to 200 and 100 respectively. The new items added were ten refrigerators and five [illegible] cassettes. Shops dealing with building materials increased from two to three, stationary shops from two to five and provision stores from five to ten.

The increases in the prices and wages were on the same lines as in the adjacent villages. It was reported that whereas there was a sharp increase in food items, beverages etc., the price of liquor declined from Rs.3 to Re.1 per m.l. The value of wet land increased by 2½ times, whereas the increase in the value of dry lands was by 20 times.

CHAPTER-IV

Emigrants and Emigrant Households - A Study in detail

As stated in Chapter-I, 150 households from where at least one member had gone outside the country in search of employment had been selected for the purpose of study. These 150 households had been spread over all the eight villages in Chowghat Block. The distribution of sample households according to villages is shown below.

Table-IX Distribution of Households

Sl.No.	Villages	No.of Households
1.	Orumanayur	48
2.	Manathala	27
3.	Punnayurkulam	18
4.	Punnayur	13
5.	Thaikad	13
6.	Vadakekad	13
7.	Guruvayur	10
8.	Pookode	8
	Total	150

A religion-wise break-up of these households in the eight villages, as in the table given below brings to light the Muslim predominance of the area.

Table-X Emigrant Households - Religion-wise

Sl.No.	Village	Muslims	Hindus	Christians	Total
1.	Orumanayur	39	5	4	48
2.	Manathala	27	-	-	27
3.	Punnayurkulam	15	3	-	18
4.	Punnayur	9	4	-	13
5.	Thaikad	7	3	3	13
6.	Vadakekad	9	3	1	13
7.	Guruvayur	-	9	1	10
8.	Pookode	4	4	-	8
	Total	110	31	9	150

More than 73 per cent of the emigrant households belonged to the Mislim Community. Among the 31 Hindu households, 11 belonged to the Ezhava Community and the other 20 consisted of Nairs, Menons, [illegible] etc. The reasons for the Muslim majority among the emigrants could be due to historical familiarity and cultural affinity. From very early days the Arab and Persian merchants used to come to the port at Chowghat in boats carrying dates etc. They used to take back pepper, spices, cashewnuts etc. and also a few muslim locals along with them each time. Some of these early birds established themselves there and in turn started taking their relatives and friends. Then the other communities also followed suit.

From the 150 households 218 persons had gone abroad in search of employment i.e. about 1.5 emigrants per household. All the emigrants in these households were males. Before going into detail about the emigrants, an idea of the socio-economic characteristics of their households would be useful. Since the main objective of the study is to estimate the volume of remittances and their impact on the economy of the area, the basis of classification of households adopted for purpose of analysis is the remittances received by them. The distribution of the households according to remittances received is presented below.

Table-XI Sample Households according to remittances

Remittances (Rs.)	No. of Households
Below Rs.5000	7
Rs.5,000 -- Rs.10,000	33
Rs.10,000 - Rs.15,000	44
Rs.15,000 - Rs.25,000	39
Rs.25,000 - Rs.50,000	20
Above Rs.50,000	7
Total	150

The heads of households have been grouped according to their sex and age.

Table-XII Heads of Households according to Sex and Age.

Age / Remittances		[illegible]	20-29	30-39	40-49	50-59	60-69	70-79	80-89	Total
Below Rs.5000										
	M		1	-	-	1	2	1	-	5
	F		-	-	1	-	1	-	-	2 (7)
Rs.5000 to 10000										
	M		-	-	3	8	5	2	1	19
	F		-	4	3	3	2	2	-	14(33)
Rs.10000 to 15000										
	M		-	-	3	6	6	2	-	17
	F		-	9	2	5	5	6	-	27(44)
Rs.15000 to 25000										
	M		-	1	1	4	3	5	-	14
	F		-	7	6	3	6	1	2	25(39)
Rs.25000 to 50000										
	M		-	-	-	-	-	10	-	10
	F		-	2	1	-	2	5	-	10(20)
Above Rs.50000										
	M		-	-	-	1	3	-	-	4
	F		-	1	1	-	1	-	-	3(7)
Total	M		1	1	7	20	19	20	1	69
	F		-	23	14	11	17	14	2	81
Grand Total			1	24	21	31	36	34	3	150

It is only natural that a majority of the heads of households were females, since the male members would be earning their bread living outside the country. The female heads of households were either wives or mothers of the emigrants. The age-wise classification showed that there were 37 female heads of households between the ages of 30 to 49, and 44 heads who were 50 and above. The number of their male counterparts were 8 and 60 respectively. There was one male head who was below the age of 30. Thirtynine heads of households were illiterates. Sixtyeight had education below V Standard, 34 had studied upto V standard and above, six had passed S.S.L.C., one P.D.C. and two were secondary trained retired teaches.

The total number of members in the 150 households were 904. It worked out to 6.03 members per family. There were 567 adults, of whom 199 were males and 368 females. The number of children were 337 with 167 boys and 170 girls.

The classification of the population of the households according to income range (remittances) is shown in Table-XIII. All important and relevant information from the households were collected both for the reference year as well as the base year. The reference year was 1980-81 for all the households, but the base year differed in the case of each household, since it was the year in which the first emigrant member left the country. Care was taken to exclude the very recent emigrants, so that there could be an interval of at least three years between the base year and the reference year.

Table-XIII Population of the Households (Reference year)

Remittances Range (Rs.)	No. of house-holds	Population						Grand Total	Average size of the house-holds
		Adult			Children				
		M	F	T	M	F	T		
Below Rs.5000	7	15	11	26	1	4	5	31	4.43
Rs.5000 - Rs.10000	33	45	63	108	29	33	62	170	5.15
Rs.10000 - Rs.15000	44	64	107	171	49	46	95	266	6.05
Rs.15000 - Rs.25000	39	44	110	154	42	49	91	245	6.28
Rs.25000 - Rs.50000	20	23	59	82	34	31	65	147	7.35
Above Rs.50000	7	8	18	26	12	7	19	45	6.42
Total	150	199	368	567	167	170	337	904	6.03

The average size of household showed an increase from 4.7 in the base year to 6.0 in the reference year. Percentage of literacy among the households increased from 82.3 to 89.2 during the period.

Income of the households:

Information available on income, especially remittances was far from satisfactory. Most of the households refused to reveal the exact position, more so in the households with females as heads of households. They were in fact trying to portray a picture of dissatisfaction and lamenting about the increasing cost of living and their not being able to meet the expenditure with 'what little money' they get

'occasionally' from their sons or husbands in the gulf countries. They were all out to give inflated figures on the expenditure side, but the tendency was reverse with regard to income.

The income of the households from the various sources at the two points of time are furnished in the two tables (Table XIV), (Table XV).

Income of the households at the base year is first analysed separately. Taking all the 150 households together it is seen that the total income from all sources amount to Rs.528,284, or an average of Rs.3,522 per household per year. A break-up of the total income according to the sources showed that 29.12 per cent was from cultivation, 23.88 per cent from trade, 22.33 per cent from professions, 10.92 per cent from wages etc. Since the households would have just started receiving remittances in that year and some of them would not have received anything at all in the initial period, income from remittances was only Rs.14,300 or 2.71 per cent of the total.

Since the classification of the households into the six categories is based on the remittances received during the reference year, further analysis on this basis does not hold sense for the base year. Except for a couple of households the incomes of all the other households in the base year had been below Rs.5000 per year.

Table-XIV Household Income from various sources (Rs.) (Base Year)

Remittances Range (Rs.)	No. of house-holds	Culti-vation	Livestock	Wages	Arts & Crafts	Trade	Transport	Profess-ion
Below Rs.5000	7	3600 (22.81)	- -	1000 (6.34)	- -	1200 (7.60)	- -	9984 (63.25)
5000 - 10000	33	32850 (32.25)	- -	13100 (12.86)	3500 (3.44)	16100 (15.81)	8100 (7.95)	22800 (22.39)
10000 - 15000	44	42050 (25.39)	500 (0.30)	23300 (14.07)	13400 (8.09)	32250 (19.47)	4000 (2.42)	45500 (27.48)
15000 - 25000	39	31750 (25.44)	1800 (1.44)	11550 (9.25)	6000 (4.81)	28500 (22.85)	- -	23200 (18.59)
25000 - 50000	20	22100 (28.24)	2350 (3.00)	8700 (11.12)	- -	28600 (36.55)	- -	16500 (21.09)
Above Rs.50000	7	21500 (51.19)	1000 (2.38)	- -	- -	19500 (46.43)	- -	- -
	150	153850 (29.12)	5650 (1.07)	57650 (10.92)	22900 (4.33)	126150 (23.88)	12100 (2.29)	117984 (22.33)

Note: Figures within brackets denote percentages.

/--Contd...

Table-[illegible] Household Income from various sources (Rs.) (Base Year) (Contd.)

Remittances Range (Rs.)	No. of households	Remittances from Gulf	Remittances from Others	Others	Total	Per household Income
Below Rs. 5000	7	- -	- -	- -	15784 (100.00)	2255
5000 - 10000	33	-	3000 (2.95)	2400 (2.35)	101850 (100.00)	3086
10000 - 15000	44	-	-	4600 (2.78)	165600 (100.00)	3764
15000 - 25000	39	-	11300 (9.05)	10700 (8.57)	124800 (100.00)	3200
25000 - 50000	20	-	-	-	78250 (100.00)	3913
Above Rs. 50000	7	-	-	-	42000 (100.00)	6000
	150	-	14300 (2.71)	17700 (3.35)	528284 (100.00)	3522

Note: Figures within brackets denote percentages.

Table-XV Sources of Income (Rs.) Reference Year

Remittances Range (Rs.)	No. of house-holds	Cultivation	Livestock	Wages	Arts & Crafts	Trade	Transport	Profession
Below Rs.5000	7	6700 (13.09)	800 (1.56)	- -	- -	- -	3600 (7.03)	10234 (20.09)
5000 - 10000	33	55000 (16.25)	1450 (0.43)	18000 (5.32)	6000 (1.77)	16000 (4.73)	2400 (0.71)	10800 (3.19)
10000 - 15000	44	68940 (10.06)	5500 (0.80)	26100 (3.80)	12000 (1.75)	35350 (5.16)	13000 (1.90)	18600 (2.71)
15000 - 25000	39	64050 (7.64)	6190 (0.74)	500 (0.06)	3600 (0.43)	31200 (3.72)	- -	14620 (1.74)
25000 - 50000	20	47100 (6.51)	4250 (0.59)	- -	- -	6000 (0.83)	- -	3600 (0.50)
Above Rs.50000	7	62000 (11.98)	850 (0.16)	- -	- -	13000 (2.51)	- -	- -
Total	150	303790 (9.63)	19040 (0.60)	44600 (1.41)	21600 (0.68)	101550 (3.22)	19000 (0.60)	57904 (1.84)

Note: Figures within brackets denote percentages.

Table-XV Sources of Income (Rs.) Reference Year (Contd.)

Remittances Range (Rs.)	No. of house-holds	Remittances from Gulf	Remittances from Others	Others	Total	Per household Income
Below Rs.5000	7	26200	-	3600	51184	7312
		(51.19)	-	(7.01)	(100.00)	
5000 - 10000	33	223000	-	5800	338450	10256
		(65.89)	-	(1.71)	(100.00)	
10000 - 15000	44	501300	-	4800	685590	15582
		(73.12)	-	(0.70)	(100.00)	
15000 - 25000	39	699800	14000	4800	838760	21506
		(83.43)	(1.67)	(0.57)	(100.00)	
25000 - 50000	20	662500	-	-	723450	36173
		(91.57)	-	-	(100.00)	
Above Rs.50000	7	442000	-	-	517850	73979
		(85.35)	-	-	(100.00)	
Total	150	2554800	14000	19000	3155284	21035
		(80.98)	(0.44)	(0.60)	(100.00)	

Note: Figures within brackets denote percentages.

During the reference year the total income of the 150 households was Rs.31,55,284, or Rs.21,035 per household. The increase in the average income per household was by about six times during the intervening period. The income derived from different sources in the six categories can be seen from the table.

A comparison of the sources of income at the base year and reference year shows that during the latter period remittances from Gulf and other countries formed 80.98 per cent of the total income. Income from cultivation was only 9.63 per cent, compared to 29.12 per cent at the base year. Income from other sources like trade, profession etc., was also very insignificant in 1980.

Average income per household ranged from Rs.7312 in the first group of 'below Rs.5000' to Rs.73,979 in the last group of 'Above Rs.50000'. The corresponding per household income of these groups in the base year was Rs.2,255 and Rs.6,000 respectively. In the other income groups also the increase in income during the intervening period was very significant. Except in the first group, in all the other income groups income from cultivation was the second major source of income. In the first group, income from professions formed 20.09 per cent followed by 13.09 per cent from cultivation.

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Consumption Expenditufe:

Extraction of valid data with regard to consumption expenditure was also a hazardous task, especially for the base year. In many households the present female heads of households, were not there in the base year because they were married and brought there since then. Anyway inspite of the non-availability of exact figures of expenditure everyone admitted that there had been a change for the better in the consumption habits, especially food. The two tables, table-XVI and table-XVII give the expenditure pattern of the 150 households at the two points of time.

Consumption expenditure includes expenditure on food, clothing, education, social and religious ceremonies, medicine, recreation and others. The average expenditure per household on consumption in the base year was Rs.4372. Of this the major portion, i.e. 79.11 per cent was on food items. Next in order of preference was 8.6[illegible] per cent on clothing.

The average household expenditure shot up to Rs.10,980 in the reference year. More than 71 per cent of the total expenditure went towards food. Clothing accounted for 9.06 per cent, education 2.65 per cent, medicine 4.45 per cent etc. The average household expenditure ranged from Rs.8453 in the group 'Below Rs.5000' to Rs.21,357 in the 'Above Rs.50000' group. The percentage of expenditure on food showed a decline in proportion to the increase in

Table-XVI Consumption Expenditure of the Households (Rs.) (Base Year)

Remittances Range	No.of House-holds	Food	Clothing	Education	Social & Religious Ceremonies	Medicine
Below Rs.5000	7	24000 (84.51)	1900 (6.69)	760 (2.68)	360 (1.27)	480 (1.69)
5000 - 10000	33	115600 (83.69)	10550 (7.64)	2405 (1.74)	2130 (1.54)	2615 (1.89)
10000 - 15000	44	163500 (80.39)	17280 (8.50)	2415 (1.19)	4230 (2.08)	4740 (2.33)
15000 - 25000	39	121200 (77.95)	13850 (8.91)	1840 (1.18)	3450 (2.22)	4190 (2.69)
25000 - 50000	20	63340 (72.78)	9350 (10.74)	1200 (1.38)	2430 (2.79)	3555 (4.09)
Above Rs.50000	7	31200 (71.85)	3850 (8.87)	1500 (3.45)	1800 (4.15)	1875 (4.32)
Total	150	518840 (79.11)	56780 (8.66)	10120 (1.54)	14400 (2.20)	17455 (2.66)

Note: Figures in the brackets give the percentages.

Table-XVI Consumption Expenditure of the Households (Rs.) (Base Year) (Contd.)

Remittances Range	No.of households	Recreation	Others	Total	Per household expenditure
Below Rs.5000	7	325 (1.14)	575 (2.02)	28400 (100.00)	4057
5000 - 10000	33	1500 (1.09)	3325 (2.41)	138125 (100.00)	4186
10000 - 15000	44	1850 (0.90)	9375 (4.61)	203390 (100.00)	4623
15000 - 25000	39	1150 (0.75)	9800 (6.30)	155480 (100.00)	3987
25000 - 50000	20	1050 (1.21)	6100 (7.01)	87025 (100.00)	4351
Above 50000	7	275 (0.62)	2925 (6.74)	43425 (100.00)	6204
Total	150	6150 (0.94)	32100 (4.89)	655845 (100.00)	4372

Note: Figures in the brackets give the percentages.

Table-XVII Consumption Expenditure of the Households (Rs.) (Reference Year)

Remittances Range (Rs.)	No. of households	Food	Clothing	Education	Social and Religious Ceremonies	Medicine
Below Rs. 5000	7	49200 (83.15)	3800 (6.42)	650 (1.10)	1075 (1.82)	2300 (3.89)
5000 - 10000	33	214200 (80.66)	20750 (7.80)	7000 (2.64)	5725 (2.16)	7375 (2.78)
10000 - 15000	44	328800 (75.41)	39300 (9.02)	9200 (2.11)	12175 (2.79)	15400 (3.53)
15000 - 25000	39	311520 (72.48)	40100 (9.33)	11430 (2.66)	10605 (2.47)	20150 (4.69)
25000 - 50000	20	185400 (60.40)	33300 (10.85)	8550 (2.78)	11450 (3.73)	17250 (5.62)
Above Rs. 50000	7	91200 (61.00)	12000 (8.03)	6850 (4.58)	7600 (5.08)	10700 (7.16)
Total	150	1180320 (71.67)	149250 (9.06)	43680 (2.65)	48630 (2.95)	73175 (4.45)

Note: Figures in the brackets give percentages.

Table-XVII Consumption Expenditure of the Households (Rs.) (Reference Year)(Contd.)

Remittances Range (Rs.)	No.of households	Recreation	Others	Total	Perhousehold expenditure
Below Rs.5000	7	695 (1.17)	1450 (2.45)	59170 (100.00)	8453
5000 - 10000	33	2760 (1.04)	7750 (2.92)	265560 (100.00)	8047
10000 - 15000	44	5475 (1.26)	25650 (5.88)	436000 (100.00)	9909
15000 - 25000	39	5825 (1.36)	30125 (7.01)	429755 (100.00)	11019
25000 - 50000	20	6400 (2.09)	44600 (14.53)	306950 (100.00)	15348
Above Rs.50000	7	3050 (2.04)	18100 (12.11)	149500 (100.00)	21357
Total	150	24205 (1.47)	127675 (7.75)	1646935 (100.00)	10980

Note: Figures in the brackets give percentages.

income. It fell from 83.15 per cent in the first group to 60.4 per cent in the last but one group. There was a slight increase to 61.0 per cent in the highest group. The reverse trend had been noticed in the case of expenditure on other items. This is in confirmity with the general pattern of expenditure as income increases.

A comparison of the expenditure pattern in the reference year with that of the base year also revealed that the percentage of expenditure on food declined from 79.11 per cent in the base year to 71.67 per cent in the reference year. The reverse trend could be noticed with regard to other items of expenditure.

Assets of households:

The results of the enquiry regarding the assets held by the emigrant households in the reference year are furnished in Table-XVIII.

Assets of the households included both physical and financial. Financial assets are mainly bank accounts and most of the households refused to reveal the actual bank balances. Physical assets included land, livestock, buildings, jewellery, implements and durable consumer goods, both traditional and modern.

The total value of assets of all the emigrant households was Rs.57,407,275 and the average per household worked out to Rs.382,715. Land and buildings, especially the former were the important assets and accounted for 78.58 per cent

Table-XVIII Value of Assets of the Households (in Rs.)

Remittance Range	Land	Live-stock	Build-ings	Financial Assets	Consumer Durables		Imple-ments	Others	Total	Value of Assets/house-hold
					Tradi-tional	Modern				
Below Rs.5000	815000 (77.58)	1500 (0.14)	180000 (17.14)	-	9200 (0.88)	16500 (1.57)	480 (0.04)	27900 (2.65)	1050480 (100.00)	150068
Rs.5000-10000	6628500 (84.30)	6100 (0.08)	918000 (11.67)	8080 (0.11)	31750 (0.40)	104800 (1.33)	1230 (0.02)	164500 (2.09)	7862960 (100.00)	238272
Rs.10000-15000	8861000 (74.37)	9425 (0.08)	1890000 (15.87)	130120 (1.09)	51960 (0.44)	364850 (3.06)	7295 (0.06)	599900 (5.04)	11914550 (100.00)	270785
Rs.15000-25000	12697500 (80.[illegible])	18700 (0.12)	1870000 (11.83)	238500 (1.51)	37800 (0.24)	210200 (1.33)	580 (a)	728450 (4.61)	15801730 (100.00)	405173
Rs.25000-50000	6462[illegible] ([illegible].76)	17350 (0.18)	1250000 (13.10)	443000 (4.64)	16600 (0.17)	463000 (4.85)	530 (0.01)	886000 (9.29)	9538480 (100.00)	476924
Above Rs. 50000	9647000 (85.84)	3650 (0.03)	770000 (6.85)	310000 (2.76)	375 (a)	245000 (2.18)	50 (a)	263000 (2.34)	11239075 (100.00)	1605582
Total	45111000 (78.58)	56725 (0.10)	687800 (11.98)	1129700 (1.96)	147685 (0.26)	1404350 (2.45)	10050 (0.02)	2669750 (4.65)	57407275 (100.00)	382715

Note: Figures within brackets denote percentages.

a = Negligible.

and 12.08 per cent respectively of the value of the total assets. Value of financial assets formed only less than 2 per cent. The per household value of total assets varied from Rs.150,068 in the first category to Rs.1505,582 in the last. These figures are in sharp contrast to the average value of assets of rural households in Kerala reported by the All India Debt and Investment Survey, 1971-72 by the Reserve Bank of India. According to this survey, the average value of assets of rural households was only Rs.11,615 at the end of June 1971. Even giving more than sufficient allowances for the real increase in assets during the decade and the rise in prices, the figures could be said to be on the very high side. The per household value of land alone works out to more than 3 lakhs.

<u>Acquisition of assets since base year:</u>

Land, buildings and consumer durables were the major assets acquired by the emigrant households since the departure of the emigrant. A few households claimed to possess financial assets, mainly in the form of bank deposits. Almost all the households had invested on buildings. They had either demolished the old buildings completely and constructed palatial houses in their places, or made additional rooms, repaired and remodelled old houses. A few had purchased lands and constructed houses. The details with regard to the acquisition of assets by the emigrant households since the base year can be got from table-XIX.

Table-XIX   Acquisition of Assets Since Base Year - Value (in Rs.)

Remittances range.	Land	Livestock	Buildings	Financial Assets	Consumer Durables	Minor Implements	Others	Total	Assets/ household
Below Rs.5000	87000 (78.91)	800 (0.73)	- -	- -	18700 (16.96)	255 (0.23)	3500 (3.17)	110255 (100.00)	15751
Rs.5000- 10000	194000 (38.13)	2750 (0.54)	160100 (31.44)	6020 (1.18)	96000 (18.87)	565 (0.11)	49500 (9.73)	508835 (100.00)	15419
Rs.10000- 15000	212000 (11.53)	4750 (0.26)	1084000 (58.98)	29500 (1.60)	300400 (16.34)	6450 (0.35)	201000 (10.94)	1838100 (100.00)	41775
Rs.15000- 25000	1389000 (47.91)	[illegible] (0.47)	876000 (30.21)	106500 (3.67)	142000 (4.90)	20 @	372300 (12.84)	2899470 (100.00)	74345
Rs.25000- 50000	615000 (21.50)	16350 (0.57)	940000 (32.86)	288000 (10.07)	482550 (16.87)	- -	518450 (18.13)	2860350 (100.00)	143018
Above Rs.50000	455000 (25.60)	1800 (0.10)	685000 (38.54)	290000 (6.31)	199600 (11.23)	- -	146000 (8.22)	1777400 (100.00)	253914
Total	2952000 (29.53)	40100 (0.40)	3745000 (37.48)	720020 (7.20)	1239250 (12.40)	7290 (0.07)	1290750 (12.92)	9994410 (100.00)	66629

@ - Negligible.
Figures in brackets denote percentages.

Forty three households had purchased land since the base year. The details of area purchased are shown below.

Table-XX Land Purchased by Emigrant Households.

Size of land	No.of households
Below 1 acre	30
1 - 2 acres	9
2 - 3 acres	-
3 - 4 acres	2
4 acres and above	2
	43

The total value of land acquired amounted to Rs.2,952,000 and formed 29.53 per cent of the value of the total assets acquired. The assets per household worked out to Rs.66,629. The per household asset was the maximum in the income group 'Above Rs.50,000'. Land constituted as much as 78.91 per cent of the total value of assets in the lowest group of 'Below Rs.5000'. For the emigrant households as a whole the value of land acquired worked out to 29.53 per cent of the total value of assets.

The maximum investment by the emigrant households had been made in buildings. As has been mentioned earlier, either new houses had been constructed or old houses repaired and remodelled. The value of buildings was as much as 37.48 per cent of the value of total assets of the 150 households. In three income groups the buildings formed the major item of assets in terms of value.

Investment on buildings had been studied in detail in this context. For this purpose the housing conditions of the emigrant households in the base year as also in the referance year is being compared. Out of 150 households, 149 own houses in the reference year. One family in the first income group is living in brother's place. Three households in the fourth and one in the fifth income groups did not own houses in the base year. Two of them were living in joint families, one with parents and the other in a rented house. Of the 149 living in owned houses in the reference year seven were purchased, and 136 were newly constructed. In a few cases the old houses were repaired or demolished and reconstructed. Six old houses were untouched. Nine houses in the base year and 39 in the reference year were two-storied.

A change for the better has been noticed in the type of houses owned by the households. The number of terraced houses rose from nine to 74, whereas the number of tiled and thatched houses declined from 93 and 42 to 59 and 11 respectively. There was one half tiled and half terraced house in the base year, whereas there were five such houses in the reference year.

All the houses except two in the last two income categories were terraced ones in the reference year. In the preceeding two groups also 42 out of 79 houses were terraced and 33 tiled. In the first two groups the majority of the houses were tiled. The details on the type of houses are furnished in the table-XXI.

Table-XXI Type of Houses

Remittance Range	Base Year: Tiled	Base Year: Terraced	Base Year: Thatched	Base Year: ½ Tiled + ½ Terraced	Reference Year: Tiled	Reference Year: Terraced	Reference Year: Thatched	Reference Year: ½ Tiled + ½ Terraced
Below Rs.5000	6	-	-	-	5	1	-	-
Rs.5000 - 10000	19	4	10	-	21	6	5	1
Rs.10000 - 15000	27	4	12	1	16	23	3	2
Rs.15000 - 25000	22	1	13	-	17	19	1	2
Rs.25000 - 50000	12	-	7	-	-	18	2	-
Above Rs.50000	7	-	-	-	-	7	-	-
Total	93	9	42	1	59	74	11	5

Changes in the type of houses necessitated changes in their structure also. Those with mud structure declined from 20 to two and with brick and mortor increased correspondingly. The structure of houses according to income groups are presented in table-XXI.

Table-XXII Structure of Houses

Remittances Range	Base Year		Reference Year	
	Brick and Mortar	Mud	Brick and Mortar	Mud
Below Rs.5000	6	–	6	–
Rs.5000 – 10000	31	2	32	1
Rs.10000 – 15000	41	3	44	–
Rs.15000 – 25000	25	11	38	1
Rs.25000 – 50000	15	4	20	–
Above 50000	7	–	7	–
Total	125	20	147	2

Details collected about flooring of the houses showed that almost all the new constructions have mosaic flooring. For some of the old houses also along with other repairs and additions cement flooring had been changed into mosaic. There was only one house with mud flooring, whereas there were 19 in the base year. The table below furnishes details on flooring.

Table-XXIII Flooring of Houses

Remittances Range	Base Year			Reference Year		
	Cement	Mud	Mosaic	Cement	Mud	Mosaic
Below Rs.5000	5	1	-	5	-	1
Rs.5000 - 10000	30	3	-	30	1	2
Rs.10000 - 15000	37	6	1	25	-	19
Rs.15000 - 25000	32	4	-	24	-	15
Rs.25000 - 50000	15	4	-	3	-	17
Above Rs.50000	6	1	-	-	-	7
Total	125	19	1	87	1	61

The number of electrified houses increased from 72 to 141, as could be seen from the table given below.

Table-XXIV Electrification of Houses.

Class	Base Year		Reference Year	
	Elect.	Not Elect.	Elect.	Not Elect.
Below Rs.5000	4	2	6	-
Rs.5001 - 10000	20	13	29	4
Rs.10000 - 15000	24	20	43	1
Rs.15000 - 25000	13	23	37	2
Rs.25000 - 50000	7	12	19	1
Above 50000	4	3	7	-
Total	72	73	141	8

The value of houses in the reference year is furnished below.

Table-XXV Value of Houses (Reference Year)

Value (in Rs. '000) / Remittances range	Below Rs.5000	Rs.5000- Rs.10000	Rs.10000- Rs.15000	Rs.15000- Rs.25000	Rs.25000- Rs.50000	Above Rs.50000	Total
Morethan 5	-	4	2	-	-	-	6
5 - 15	1	4	4	10	-	-	19
15 - 25	1	8	8	7	-	-	24
25 - 35	2	9	6	4	4	1	26
35 - 45	1	3	4	8	4	-	20
45 - 55	1	3	9	7	4	-	24
55 - 65	-	1	3	1	2	1	8
65 - 75	-	-	-	2	2	1	5
75 - 85	-	1	1	-	1	-	3
85 - 95	-	-	-	-	-	-	-
Above 95	-	-	7	-	3	4	14
Total	6	33	44	39	20	7	149

There are fourteen houses valued more than Rs.95,000. All the houses in the last two income groups were valued about Rs.25,000. Only six houses, all belonging to the first three income groups were valued below Rs.5000.

The investment on livestock was very insignificant, forming only 0.40 per cent of the total assets acquired since base year. The livestock possessed by the households were mainly milch animals. A few households had goats, hen etc. Bullocks for ploughing the

field were usually hired. The assets of the households in the form of implements also was not worth mentioning.

The value of consumer durables acquired by the house-holds formed 7.2[illegible] per cent of the total assets. It could be noticed that in the lower income groups the value of consumer durables as a percentage of total assets was quite high and was next only to the value of land acquired.

The important items of consumer durables were two-in-one sets, transistors, cassette players, stereos, refrijerators etc. Others included fans, telephones, cycles etc. As many as 126 households had acquired radios, 78 households had transistors and these were mostly in the first three income groups. Majority of the 104 households possessing cassette players, 29 households having steros and 33 households having refrijerators belonged to the higher income category. Five households in the highest income groups possessed videos. Seventeen households owned motor cars and one household had a motor cycle. Table-XXVI given in the following page presents some interesting figures regarding the acquisition of consumer durables.

Table-XXVI

Possession of Consumer Durables

Class	Radio	Transistor	Casette player	Stereos	Car & Motor-cycles	Refrigi-rator	Others
Below Rs.5000	2200 (6)	3350 (7)	8300 (5)	1500 (1)	-	-	3350 (7)
Rs.5000 - 10000	11350 (30)	11500 (24)	45200 (23)	-	-	4000 (1)	23950 (33)
Rs.10000 - 15000	18400 (37)	18800 (25)	53100 (26)	15000 (5)	130000 (4)	34000 (8)	31100 (44)
Rs.15000 - 25000	15450 (24)	3150 (6)	47250 (26)	10500 (4)	25000 (2)	8000 (2)	32650 (39)
Rs.25000 - 50000	[illegible] ([illegible])	8250 (12)	35400 (18)	47300 (15)	252000 (8)	85500 (16)	43000 (22)
Above 50000	5100 (7)	1900 (4)	15100 (6)	11500 (4)	108000 (4)	30000 (6)	28000 (10)

Note: Others include fan, telephones, electric irons, cycle etc.

Figures in brackets denote the number of households.

Jewellery is the most important item of asset under 'others', as could be seen from the table below.

Table-XXVII Other Assets (Value in Rs.)

Remittances Range	Gold	Pumpsets
Below Rs.5000	3500 (1)	-
Rs.5000 - 10000	49500 (11)	-
Rs.10000 - 15000	186000 (26)	15000 (5)
Rs.15000 - 25000	341400 (27)	30900 (10)
Rs.25000 - 50000	469900 (20)	48550 (15)
Above Rs.50000	133000 (7)	13000 (4)
Total	1183300	107450

(Figures in brackets denote the number of households).

The per household value of gold possessed worked out to Rs.12862. It ranged from Rs.3500 in the lowest income group to Rs.23495 and Rs.19000 respectively in the last two groups. Pumpset was another item owned by 34 household and the per household value worked out to Rs.3160.

Only 32 households declared having financial assets, and that is in the form of bank deposits. Financial assets constituted 7.20 per cent of the total and they were the maximum in the last two groups of income.

Table-XXVIII Acquisition of Assets Out of Remittances Since Base Year - Value (in Rs.)

Class	Land	Livestock	Buildings	Financial Assets	Consumer Durables	Minor Imple-ments	Others	Total	Assets/ house-hold
Below Rs.5000	87000 (79.38)	400 (0.36)	-	-	18700 (17.06)	-	3500 (3.20)	109600 (100.00)	15657
Rs.5000-10000	185000 (37.18)	1100 (0.22)	160000 (32.15)	6000 (1.21)	96000 (19.29)	-	49500 (9.95)	497600 (100.00)	15079
Rs.10000-15000	212000 (11.55)	3300 (0.18)	1084000 (59.03)	29500 (1.61)	300400 (16.36)	6000 (0.33)	201000 (10.95)	1836200 (100.00)	41732
Rs.15000-25000	1365000 (47.47)	13650 (0.47)	876000 (30.47)	106500 (3.70)	142000 (4.94)	-	372300 (12.95)	2875450 (100.00)	73729
Rs.25000-50000	615000 ([illegible])	16350 (0.57)	940000 (32.86)	288000 (10.07)	482550 (16.87)	-	518450 (18.13)	2860350 (100.00)	143018
Above Rs.50000	455000 (25.60)	1800 (0.10)	685000 (38.54)	290000 (16.31)	199600 (11.23)	-	146000 (8.22)	1777400 (100.00)	253914
Total	29[illegible]0000 ([illegible]9.52)	36600 (0.37)	3745000 (37.61)	720000 (7.23)	1239250 (12.45)	6000 (0.06)	1290750 (12.96)	9956600 (100.00)	66377

Note: Figures within brackets denote percentages.

Assets purchased out of remittances:

The assets acquired since base year could have been purchased either out of remittances or own funds. The details regarding the value of assets purchased out of remittances are shown in table-XXVIII.

A comparison of these figures with those in table-XIX i.e. the total value of assets acquired since base year from all sources reveal that except in the case of land, livestock and implements all the other assets had been acquired only out of money received from the kith and kin outside the country. Remittances accounted for Rs.9,956,600 or 99.6 per cent of the total value of assets acquired since base year. In per household terms the figures were Rs.66,377 and Rs.66,629 respectively. Out of 43 households who had purchased lands, 38 were purely out of remittances. Apart from constructing new houses money received from abroad had been used for repairs and additions to rooms, as could be seen from the table below.

Table-XXIX Source and Amount Spent on Repairs and additions to Rooms

Remittances Range	Remittances	Disposal of Assets
Below Rs.5000	15000 (1)	-
Rs.5000 - 10000	36500 (4)	-
Rs.10000 - 15000	38000 (3)	-
Rs.15000 - 25000	91500 (8)	30000 (2)
Rs.25000 - 50000	1000 (1)	25000 (1)
Above Rs.50000	90000 (3)	-
Total	272000 ([illegible])	55000 (3)

The financial assets acquired by all the 32 households were out of remittances. All of them belonged to the last four groups, i.e. receiving remittances above Rs.10,000.

It is clear that remittances received by the households, had been made use of by them in acquiring assets of various kinds and other investments. An attempt was made to get an idea of returns from these investments. The figures are presented in table-XXX.

Table-XXX Returns(from Investments out of Remittances)

(Rs. per annum)

Remittances range	Land	Livestock	Trade	Transport
Below Rs.5000	500 (1)	500 (1)	-	-
Rs.5000 - 10000	5700 (4)	-	-	-
Rs.10000- 15000	11100 (6)	2300 (5)	11000 (2)	16000 (3)
Rs.15000- 25000	26650 (12)	5540 (10)	9000 (2)	-
Rs.25000- 50000	10150 (9)	5800 (11)	3500 (1)	15000 (1)
Above Rs.50000	31000 (4)	850 (2)	-	-

Figures in brackets denote the number of households.

Note: Three persons have not revealed their net income, 2 in land and 1 in transport.

Out of 43 households who had purchased land out of remittances only 36 households had admitted getting returns. Twentynine households got returns from livestock, five from trade and four from transport. A lodge was being constructed by one household. It was difficult to have any idea of the returns from financial assets.

It has been seen that apart from remittances a few households had used 'own funds' in acquiring assets. Three households have used own funds for purchasing land, nine for purchasing livestock and 31 for purchasing minor implements. The source for this had been either from disposal of assets or loans from various agencies. In table-XXXI the value of disposed items are furnished.

Table-XXXI Value of Disposed Items (in Rs.)

Remittances range	Land	Live-Stock	Consumer Durables	Tex-tiles	Vehi-cles	Total
Below Rs.5000	-	-	-	-	-	-
Rs.5000 - 10000	10000	1900	1800	-	-	13700
Rs.10000- 15000	-	900	8600	3000	-	12500
Rs.15000- 25000	36000	2150	11200	6500	-	55850
Rs.25000- 50000	-	2050	18100	4000	125000	149150
Above Rs.50000	-	-	40000	-	13800	53800
Total	46000	7000	79700	13500	138800	285000

The total value of items disposed amounted to Rs.285000. They include land, livestock, consumer durables, textiles and vehicles. Except the first two items, the others were brought by the emigrants from abroad with the idea of disposing them off here at an enhanced price. It was very easy to get buyers for these articles, especially textiles, because of the craze for foreign products.

<u>Utilisation of disposals:</u>

The amount received by the disposal of the various items had been utilised in different ways, as is seen from the table below.

<u>Table-XXXII</u> <u>Utilisation of Disposals</u> (in Rs.)

Remittances range	Journey	House-hold expenses	Business	Const. of buildings	Purchase of Vehicles	Total
Below Rs.5000	-	-	-	-	-	-
Rs.5000 - 10000	11200	2500	-	-	-	13700
Rs.10000 - 15000	-	12200	-	-	300	12500
Rs.15000 - 25000	-	19850	6000	30000	-	55850
Rs.25000 - 50000	-	44150	80000	25000	-	149150
Above Rs.50000	-	53800	-	-	-	53800
Total	11200 (4.01)	132500 (46.50)	86000 (30.18)	55000 (19.30)	300 (0.01)	285000 (100.00)

Note: Figures in brackets denote percentages.

A major portion of the money had been used for domestic expenses, followed by investment in business. Less than 20 per cent only had been utilised for construction of buildings.

Liabilities:

Not all the migrant households can be said to be free from liabilities. Fourteen households had borrowed money during the last five years. Out of them five had completely repaid the amount borrowed and nine had partly repaid. The entire amount used for repayment of debts had been taken out of remittances. The amount borrowed according to source is presented below.

Table-XXXIII Amount borrowed according to agencies

Remittances range	Bank	Society	Friends	Moneylender	Total
Below Rs.5000	-	-	-	-	-
Rs.5000 - 10000	9000 (2)	10000 (1)	21000 (2)	-	40000 (5)
Rs.10000 - 15000	10000 (1)	-	38000 (1)	35000 (3)	53000 (5)
Rs.15000 - 25000	20000 (2)	20000 (1)	-	-	40000 (3)
Rs.25000 - 50000	-	-	-	-	-
Above Rs.50000	-	-	8000 (1)	-	8000 (1)
Total	39000 (5)	30000 (2)	37000 (4)	35000 (3)	141000 (14)

Note: Figures in brackets denote the no.of households.

The total amount borrowed was Rs.141000. Out of this Rs.58000 or 41.13 per cent was used for the initial expenses involved in sending the emigrant member. More than 17 per cent of the borrowings were used for purchase of lands, about 20 per cent for business purposes and the rest for domestic purposes and marriage celebrations. The details with regard to borrowings according to purpose, and the amount outstanding in the reference year are furnished in table-XXXIV.

The amount outstanding worked out to 29.93 per cent of the total borrowings. Except the first group i.e. Rs.5000 and below and the group between Rs.25001 to 50000, all the other groups had borrowed for some purpose or the other and still have some outstanding debts. The reason for not repaying the full amount was not their inability, but because they wanted to utilise the money for other investments. The loans taken from friends were interest-free. Those from banks and Co-operative societies carried 9 to 12 per cent interest and money lenders charged 20 to 25 per cent.

Table-XXXIV Liabilities according to purpose - Amount Borrowed and Outstanding

Remittances range	To go abroad		Business		To purchase land		Domestic		Marriage		TOTAL	
	Amount Borrowed	Out-standing	Amount Borrowed	Out-standing	Amount Borrowed	Out-standing	Amount Borrowed	Out-standing	Amount Borrowed	Out-standing	Amount Borrowed	Out-standing
Below Rs.5000	-	-	-	-	-	-	-	-	-	-	-	-
5000-10000	-	-	-	-	9000 (2)	9000 (2)	21000 (2)	600 (1)	10000 (1)	6000 (1)	40000 (5)	15600 (4)
10000-15000	53000 (5)	7000 (1)	-	-	-	-	-	-	-	-	53000 (5)	7000 (1)
15000-25000	5000 (1)	2000 (1)	20000 (1)	3000 (1)	15000 (1)	13000 (1)	-	-	-	-	40000 (3)	18000 (3)
25000-50000	-	-	-	-	-	-	-	-	-	-	-	-
Above 50000	-	-	8000 (1)	1600 (1)	-	-	-	-	-	-	8000 (1)	1600 (1)
Total	58000 (6)	[illegible]000 (2)	28000 (2)	4600 (2)	24000 (3)	22000 (3)	21000 (2)	600 (1)	10000 (1)	6000 (1)	141000 (14)	42200 (9)

Note: Figures in brackets denote the number of households.

Emigrants:

There were 218 emigrants in the 150 households. A few households had more than one emigrant. The number of persons abroad in each household in the different income categories are shown below.

Table-XXXV. No. of Persons Abroad in Each Household

Remittances range	No. of persons abroad 1	2	3	4	Total: No. of households	Total: No. of emigrants
Below Rs.5000	3	3	1	–	7	12
Rs.5000 - 10000	30	3	–	–	33	36
Rs.10000 - 15000	37	4	3	–	44	54
Rs.15000 - 25000	22	16	1	–	39	57
Rs.25000 - 50000	6	6	7	1	20	43
Above Rs.50000	1	3	3	–	7	16
Total	99	35	15	1	150	218

Out of the 218 emigrants 178 were from Muslim households, 31 from Hindu households and nine from Christian households.

The emigrants in the selected households had left the country in different years, starting from the year 1950. The number of emigrants in each year is presented in the next page.

Table-XXXVI

Year	No.of emigrants	Year	No. of emigrants
1950	1	1971	9
1960	1	1972	19
1963	2	1973	19
1965	5	1974	19
1966	6	1975	33
1967	1	1976	26
1968	8	1977	30
1969	2	1978	23
1970	14	Total	218

The educational qualification of the emigrants as shown in the table below shows that more than 50 per cent of them were matriculates or having some degrees, diplomas or technical training.

Table-XXXVII Educational qualification of the emigrants.

Qualification	No.of emigrants
Illiterate	3
Below matric	102
Matric	46
Pre degree	12
Graduates	10
B.E./Diploma in Engineering	3
M.B.B.S.	1
Technically trained	41
Total	218

Two of the emigrants were below 20 years and eleven were above 50 years. There were 73 between 20 and 30 years, 90 between 30 and 40 years and 42 between 40 and 50 years.

An attempt to find out the agencies which helped the emigrants to leave the country revealed that 179 made it through relatives, 25 through friends and 14 through neighbours. No outside agency was involved in any of the cases.

A probe into the employment status of the emigrants before their departure threw light on their poor economic conditions prior to their departure. A significant section of the emigrants were unemployed before their departure and others were drawn from different occupations. The details are presented in table-XXXVIII.

Table-XXXVIII Previous employment of the emigrants

Employment Status		No.of persons
Unemployed	..	95
Daily labourer	..	15
Bill Collector	..	1
Mason and Carpenter	..	3
Doctor	..	1
Welder	..	4
Mechanic	..	14
Driver	..	5
Press Job	..	1
Goldsmith	..	1
Petty business	..	38
Company employees (Clerks)	..	22
Government employees	..	3
Navy	..	1
Compositor	..	1
Barber	..	6
Tailor	..	1
Salesman	..	3
Accountant	..	2
Teacher	..	2
	Total	218

In almost all cases earnings were quite low and except in a few cases there was not even security of jobs. So it was only natural that these people were prepared to take the risk, in the hope of bettering their prospects.

The present jobs which the emigrants hold in their places of destination seem to square more or less with their educational qualifications.

Table-XXXIX Present Employment of Emigrants

Employment Status		No. of persons
Typist	..	4
Stenographer	..	2
Daily labourer	..	2
Mason and Carpenter	..	5
Hotel executive	..	4
Doctor	..	1
Engineer	..	3
Welder	..	6
Mechanic	..	10
Driver	..	9
Press worker	..	2
Goldsmith	..	1
Business	..	56
Company employee	..	40
Draughtsman	..	1
Defence	..	28
Navy	..	2
Barber	..	6
Tailor	..	1
Salesman	..	2
Accountant	..	5
Government employee	..	6
Bank employee	..	4
Telex operator	..	2
Cook	..	1
Teacher	..	1
Photographer	..	1
Odd jobs	..	8
Not reported	..	5
	Total	218

A good number of emigrants, mostly those who did not have proper education were engaged in business. The majority of them were Muslims and as the report by the Commerce Research Bureau puts it "their religion and knowledge of Arabic, along with a long historical tradition of trade with the Arab World, seem to stand them in good stead and help them in carrying on trade on their own, or quite often, in partnership with the Arabs themselves".

The expenses involved by these emigrants or their households for the first travel is given below.

Table-XL Reported expenses of first travel

Expenses (Rs.)		No.of emigrants
Below Rs.1000	..	15
Rs.1000 - Rs.2000	..	15
Rs.2000 - Rs.5000	..	17
Rs.5000 - Rs.6000	..	11
Rs.6000 - Rs.7500	..	1
Rs.7500 - Rs.10000	..	-
Rs.10000 and above	..	4
Not reported	..	155
	Total:	218

It was difficult to get accurate figures of expenditure involved because in most cases the present heads or members of the households had no idea of it. The expenditure was very low in those cases where the emigration had taken place in the earlier years. The expenditure involved in actual travel even in the recent years was not high. But a major share of it was for securing the N.O.C. and other documents to land safely in the foreign country.

The country-wise break up of the emigrants is shown in the following table-XLI.

Table-XLI. Country-wise break-up of emigrants

Country		No.of emigrants
Abu Dhabi	..	64
Dubai	..	39
Sharjah	..	8
Muscat	..	12
Kuwait	..	7
Saudi Arabia	..	8
Bahrain	..	2
Oman	..	3
Qatar	..	55
Doha	..	15
Reyod	..	1
Malayasia	..	4
	Total	218

Except the four persons who had gone to Malayasia, all the other emigrants had landed up in the Gulf countries. Of these Abu Dhabi, Qatar and Dubai were the biggest takers.

It was seen from an earlier table that the emigrants had taken up different types of jobs in the countries of their destination. The monthly incomes they receive would naturally depend on the nature of their jobs. Except in the case of a very few households the members of the emigrant households were either not aware of the amount received or were reluctant to reveal them. Whatever information was collected is presented in the next page.

Table-XLII Monthly Income of the emigrants

Income (Rs.)	No.of emigrants
Rs.1000 - Rs.2000	5
Rs.2000 - Rs.3000	5
Rs.3000 - Rs.5000	3
Rs.5000 - Rs.7000	5
Rs.7000 - Rs.10000	2
Not reported	198
Total	218

The scale of remittances may depend upon the emigrants' earnings abroad and also the economic conditions of the emigrant households here. Sometimes remittances were also made for investment purposes alone. Most of the households did not receive money regularly, or at regular intervals. The frequency of remittances as reported by the households is tabulated below.

Table-XLIII Reported Frequency of Remittances

Remittances Range (Rs.)	Once in a month	Once in 2 months	Once in 3 months	Once in 6 months	Not regular	Total
Below 5000	1	1	1	-	4	7
5000 - 10000	10	3	4	-	16	33
10000 - 15000	13	14	10	-	7	44
15000 - 25000	8	10	17	3	1	39
25000 - 50000	2	6	7	5	-	20
above 50000	2	1	1	3	-	7
Total	36	35	40	11	28	150

On questions about the job security, future plans etc. of the emigrants proper information could not be elicited. Anyhow it was understood that most of them did not have job security and some of them even job satisfaction. Only a few had fixed ideas about their future plans and wanted to continue in their present jobs abroad. For most of the emigrants the future is still bleak and life just pulls on without any definite plans. Many are effected unfavourably by the new laws and strict measures imposed by the Gulf countries on immigrants and may even be forced to quit the place. They dread to think of such a situation when they will be neither wanted there nor welcomed here.

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Chapter V

Impact of Foreign Remittances on the Rural Economy

In an earlier chapter an account of the type of emigration, the characteristics of the emigrants and the huge inflow of foreign money into this 'mini gulf' of Kerala had been given. What is the impact of these remittances on the home economy? The effect of the free play of such a prodiguous amount is a grave ponderable.

Continuous flow of money in an area would definitely have deep and radical socio-economic implications. The huge inflow of money from the migrants under normal circumstances should have resulted in higher savings and investment, which it appears is missing in this context. Not only have these remittances from Gulf countries remained aloof from the mainstream of the general economy, it has fostered enclaves of high liquidity, making for major shifts in the spending pattern of households. While the immediate repercussions are located in the Centres of emigration, they set in motion a chain reaction which in the long run point to economic and social instability.

As has been already stated, Chowghat is perhaps the greatest beneficiary of the Gulf money flowing into the State. There is an increase in the number of fixed accounts in the banks. Nearly half of the accounts at the State Bank of Travancore at Chowghat are Non-resident accounts. Even though the deposits in these accounts are very high they are characterised by erratic remittances and short-lived deposits.

Banks do not attract remittances on their own merit or as a savings proposition, but merely as a convenient via media of transfer of savings from the place of purveyance to the State of provenance. Almost all NRAs are savings accounts and a very few only are fixed deposits. The drawing is consequently heavy and inconsistant, virtually for repayment of debts incurred at the time of departure of the emigrant in most of the cases and later on for other expenses necessary to enroll the household into the revised status of the new class. The ultimate net impact depends on the utilisation of those funds. The impact of the remittances on the various aspects is discussed below.

Income Distribution

The pattern of income distribution in the area has dramatically changed. A number of families have become rich overnight. This has been proved by the analysis

on income in the previous chapter. The average per household income per annum increased from Rs.3,522 in the base year to Rs.21,035 in the reference year. More than 95 per cent of the sample households who had been previously getting Rs.5,000 or less in a year now come under the income range of Rs.5,000 to Rs.90,000. Thus during the past few years the pockets of emigration have been the systematic and substantive growth of a 'novean rich'. This new class cut across caste and commercial lines and manifest the typical rashness of its newfound purchasing power.

Expenditure pattern

The increased purchasing power has naturally led to increased expenditure by the emigrant households. The change could be noticed both in the amount spent as also in the pattern of expenditure. The immediate impact was on consumption expenditure.

The average expenditure on consumption of the emigrant household increased from Rs.4372 in the base year to Rs.10,980 in the reference year. A major share of the expenditure went towards food and the type of food consumed by those households especially in the higher income groups has conspicuously changed. Most of the households purchase superior variety of rice and have

started consuming more of protective food. Good fish is available in the beach nearby and the major part of the expenditure on food goes for fish and meat. If the quality available in the local market is not satisfactory many of them go to the best markets in the neighbourhood and spend lavishly.

Taxis and autorickshaws are easily available in the locality and the women folk of even the Muslim households who previously were confined to their houses in 'purdahs', hire them to go to the nearby markets, unmindful of the distance and cost involved. In fact going to far away places for the purchase of domestic requirements in their own cars or hired vehicles is considered a status symbol.

The use of coffee, tea and other beverages especially 'cool drinks' kept in the refrigerator have become a common feature. In fact even the investigator had to express his preference for hot or cool drinks, when a few households were hospitable enough to offer one. Consumption of 'cold rice' and dry fish, etc. has become a thing of the past and square meals xxxxx served on posh and shining dining tables have become the order of the day.

The extravagance shown in the matter of food is extended to clothing also. The materials used and the style of dresses have visibly changed. Fashionable dresses and synthetic stuff brought from abroad are mostly used by the members of the emigrant households. No resistance is shown in purchasing superior clothing materials from the local markets also.

A change in the system of education parted to the children in the emigrant households also could be noticed and this in turn has caused the expenditure on education to rise. The literacy level in the emigrant households has risen from 82.3 per cent in the base year to 89.2 per cent in the reference year. Since Kerala has already a high level of literacy the impact on this aspect is not very significant.

Medical expenses also showed a rise between the base year and the reference year. Only a few households stick on to the old local doctor. Most of the upper class people prefer to go to specialists or other famous doctors at distabt places. They go either in their own cars or hired vehicles. Even for small ailments, some of them prefer to get admitted in nursing homes.

Many of the households who were not previously in the habit of spending anything on recreation, now regularly visit cinema houses in the locality or nearby towns.

To put away more for social and charitable purposes also has become necessary to keep up their status in the social set up.

Saving and investment

As a result of the high propensity to consume, the rate of saving had been rather low in the initial years. The enquiry regarding savings had been most unsatisfactory, as it never evoked an honest reply. An accurate picture of the bank balances, etc. was not divulged.

Investment had been made mainly on items such as purchase of land, construction of houses, additions and repairs to old houses, jewellery and consumer durable articles. A few had invested on livestock and minor implements. The average value of assets per emigrant household was as high as Rs.382,715 compared to only Rs.72,514 for non-emigrant households.

The frantic pace at which lands are bought and houses built almost makes it appear the consolidation of the gains abroad. The huge, gratesque and colourful structure are a blatant display of excessive money. The names given to them like 'Dubai Manzil', 'Shiraf Manzil', etc. appear like acknowledgements.

There had been a fillip in the purchase of consumer durables. They are mostly brought from abroad. The most common items possessed by the households are refrigerators, cars, stereo and taperecorders. A few households have invested heavily on jewellery.

On the whole the remittances from abroad has brought cheer and glow to hundreds of families with a visible impact on their life style. It's excited demand is reflected at various levels from the differences in quality and type of food consumed and the spurt in investment in consumer durables to the size and volume of land transactions and the hectic pace of construction activity.

These changes in the individual households is having their impact on the general economy of the area.

Impact on prices and wages

The increased consumption activity provides great stimulus to retail trade activity and in turn adds to the sales tax earnings of the Government of Kerala. But this does not sufficiently compensate the adverse effects created by the money flow.

There had been an increase in demand for consumption goods as a result of the increased purchasing power. The Keynesian theory of increased consumption leading to

increased production and investment does not seem to have taken place in this short span. In the absence of increased production, demand is being met by other means. It is met partly by an inflow of consumer goods purchased outside and the rest by inflation. Especially prices of these commodities which cannot be supplied from outside shot up very high.

Among the food items, the maximum rise had been in the prices of fish and meat since they are in great demand and their supply is local. The price of these items range from Rs.20 to Rs.40 per kg. and have become beyond the reach of the non-emigrants with fixed income. Vegetable consumption is not much, even though there is a remarkable increase in the prices of 'English' vegetables. There is a switch over from ordinary local vegetables to the so called 'English' vegetables as this is considered as a status symbol. The local common vegetables are usually grown in the backyards of the houses themselves.

Land values have sky-rocketed in recent times due to increased demand. Chowghat is one of such areas where there is only little land, but high demand because of the large number of persons gone abroad. Most of the agricultural lands are being converted into construction sites and the extra cost involved in these operations are an added reason for further raising the prices.

A cent (48.4 sq.yds) of land in the centre of Chowghat town costs around Rs.20,000 and is considered a 'justifiable' price.

Since lands are purchased solely with the idea of constructing houses, a number of new and imposing houses have come up in the villages. At least 500 new buildings, each worth anything between Rs.50,000 to Rs.2 lakhs (barring the land value) have sprung up in Chowghat town in the last two years. The municipality earned Rs.14,000 in 1978 alone by way of license fee ~~xxbxxx~~ for construction of new buildings.

The spate of construction activities has given a wage fillip to both skilled and unskilled labour. Their rates have gone up by two to three times. The pace with which the emigrants purchase sites and constructs houses creates a sort of scarcity for artisans like carpenters and masons and so they are in a position to get what they demand. The dealers of construction materials also make good profits.

Impact on social life

The reception of huge remittances by the emigrant households introduces much differentiation in the social structure of the area. The particular households become rich - the style of their residences, the sophisticated gadgets they use, their food habits and style of dress

and the contributions they make towards social and religious institutions - all these graduate them to an upper social and economic class.

Even among the emigrant households there is keen competition and jealousy in displaying their riches. The respect one commands from others in the neighbourhood depends on their money and not on anything else. Special treatment is meted out to them by everybody including the traders in the market place. Money is spent by the emigrant households impulsively without paying any heed to its impact on society.

Purchases of land have only resulted in the redistribution of land ownership and there is no gain to the society at large. Investment in posh buildings and jewellery also benefits only the individuals, but in view of the long term growth prospects of the economy, they constitute a sterile investment.

A hike in dowry is another impact of Gulf money. This, in a State where the sex ratio is high will definitely have its own adverse effects on the society. The class which is being worst effected is the middle class. The comment made by J.W. Angell on the post war inflation in Germany is applicable here :- "The group which suffered most was the group which was also the least able to defend itself.... Composed largely of people with small income,

such as salaried officials and clerks, recipients of pensions and little investors living on interest and rent". The non-emigrants including the traditionally rich consider the emigrants as "upstarts".

There had been a spurt in the activities of the bank in this area. The officials of the nationalised bank at Chowghat reported that the monthly average remittances handled by the bank had almost doubled from Rs.75 lakh a month in 1977 to Rs.1.5 crores in 1979. Similarly the number of accounts had almost doubled in three years from 5,000 to 10,000. On an average five new accounts were being opened daily.

On the whole, the flow of money has served a vital function and definitely uplifted the standards of living of thousands of needy households. The entire area has been given a face lift. Gleaming taxisply in the once sleepy area. But much of the gains resulting from the Gulf boom have only temporary significance. Only real productive investment can evolve a steady flow of income in the future and improve the long term growth prospects of the economy.

Non-Participants

It was felt that/a study of a few non-emigrant households in the same area and their living conditions during the past five years would help to highlight the impact of

foreign remittances on the non-emigrant households. Twenty such households were selected at random from Chowghat taluk for this purpose.

A classification of these twenty households according to their caste showed that thirteen of them were Hindus, six Muslims and one Christian. All the heads of households were males. Three of them were in the age group 25-34 years, twelve in the 35-54 years group and five in the 55-64 years group. Three heads of households were illiterates. Ten had primary education, five middle school education, one high school and one college.

The 20 households had a total population of 135, of whom 69 were males and 66 females. There were 57 adults and 78 children of whom 48 were students. The other children were below five years.

The classification of the households on the basis of income revealed that only one household had an annual income of above Rs.10,000. Four had annual income between Rs.1000 - Rs.2500, seven between Rs.2501 - Rs.5000 and eight between Rs.5001 - Rs.10,000.

Except for two teachers, one engaged in trade and one watch repairer, all the others were non-agricultural labourers. Three had cultivation as a secondary occupation. The incomes of the households from various sources are presented in table-XLIV

Table-XXIV Income of Non-Participant Households (in Rs.)

Income Range (Rs.)	Cultiva-tion	Live-stock	Wages	Arts & Crafts	Profes-sion	Others	Total	Average per house-hold
Rs.1000-2500	8,000	-	-	-	-	-	8,000	2,000
Rs.2500-5000	-	300	23,000	3,600	-	-	26,900	3,843
Rs.5000-10000	4,200	-	19,100	12,100	23,000	3,000	61,600	7,700
Rs.10000 and above	5,000	-	-	-	12,000	-	17,000	17,000
Total	[illegible],200	300	42,100	15,700	35,000	3,000	113,500	5,675

The incomes of those 20 households had been almost static in the last five years, except for small increases in a few cases. The average per household annual income for the emigrant households increased from Rs.3522 to Rs.21,035.

The contrast is more glaring when the expenditure pattern is examined. The per household expenditure of the non-participants does not seem to have made any significant changes in the past five years. The percentage expenditure on food actually showed an increase on account of the sharp increase in the prices of food items. More had to be spent on food at the expense of other items. More than 81 per cent of the total consumption expenditure had been on food. The per household consumption expenditure worked out to Rs.5038. The corresponding figure for the emigrant households was Rs.10,980, with the percentage of expenditure on food being only a little more than 71 per cent. The details of consumption expenditure of the non-participant households are presented in Table XLV.

Table XLV: Consumption Expenditure of Non-Participant households

Income range (in Rs.)	Food	Cloth-ing	Educat-ion	Social & Religious ceremonies	Medical	Recrea-tion	Others	Total Expendi-ture	Expendi-ture/house-hold
1001 - 2500	74[illegible]0 ([illegible]2.65)	300 (3.74)	120 (1.49)	-	90 (1.1[illegible])	25 (0.31)	55 (0.69)	8030 (100.0)	2008
2500 - 5000	22380 (85.60)	1300 (4.97)	150 (0.57)	440 (1.68)	375 (1.44)	165 (0.63)	1335 (5.11)	26145 (100.00)	3735
5001-101000	42000 (76.96)	4000 (7.33)	1350 (2.47)	1025 (1.88)	1275 (2.34)	875 (1.60)	4050 (7.42)	54575 (100.00)	6822
10001 & above	10200 (35.00)	600 (5.00)	300 (2.50)	200 (1.67)	250 (2.08)	200 (1.67)	250 (2.08)	12000 (100.00)	12000
Total:	[illegible] ([illegible].41)	6200 (6.15)	1920 (1.91)	1665 (1.65)	1990 (1.98)	1265 (1.25)	5690 (5.65)	100750 (100.00)	5038

Table: XLVI: Assets of Non-Participant Households (in Rs.)

Income Range (Rs)	Land Value	Live-stock	Imple-ments	Build-ings	Consumer durables	Financial assets	Others Gold Jewels	Total Asset	Asset/house-hold
1001 - 2500	1,06,000	-	185	1500	1750	-	300	103735	27184
	(96.57)		(0.17)	(1.38)	(1.61)		(0.27)	(100.00)	
2501 - 5000	1,51,000	-	1235	10750	2500	-	6500	171985	24569
	(87.80)		(0.72)	(6.25)	(1.45)		(3.78)	(100.00)	
5001 -10000	6,69,500	1050	3265	57000	7700	200	52850	791565	98946
	(84.58)	(0.13)	(0.41)	(7.20)	(0.97)	(0.02)	(6.68)	(100.00)	
10001 & above	275,000	-	-	60000	18000	5000	20000	378000	378000
	(72.75)			(15.87)	(4.76)	(1.33)	(5.29)	(100.00)	
Total:	1200,500	1050	4685	129250	29950	5200	79650	1450285	72514
	[illegible]	(0.07)	(0.32)	(8.91)	(2.07)	(0.36)	(5.49)	(100.00)	

The assets of the non-participants are shown in Table XLVI.

The value of per household asset of these households was only Rs.72,514, compared to Rs.382,715 for the emigrants.

Opinions

An attempt wasmade to elicit information from the 150 emigrant households with regard to their general habits such as food, clothing, education, recreation, travel, etc. during the two points of time. The information thus collected is summed up below:

The items of food consumed by the emigrant households before they started receiving money from abroad were mainly rice porridge and occasional meals. Of course the households in the higher income groups were taking two meals a day. Beverages were not at all prepared in most of the houses and the male members used to have them in tea shops nearby. But now coffee or tea in both mornings and evenings is a regular feature in the majority of households. Breakfast consists of either tiffin or rice porridge. Full meals are served for lunch and supper. Nutritious food like milk, egg, meat, fish, fruits, horlicks, etc. are also consumed regularly by quite a number of households.

Except a very few households all the others were using only cotton dresses in the base year. Synthetic materials were very rarely used. In the reference year polyster and other synthetic dresses were a common sight and most of the clothing was brought from abroad. The young women and children in the Muslim households have done away with their purdahs and wear fashionable dresses.

In more than half the number of households there were no school going children in the base year. A few children in the other households were attending only Government schools. But now all the children of school going age are attending school and quite a good number go to private schools.

Travelling was mostly done either by walk or by bus a few years back. But in the reference year buses, cars, taxis, motor cycle, etc. were all in vogue.

Prior to getting remittances from abroad the members of households used to go to the local dispensary for treatment. Only a very few rich people ~~used~~ had family doctors. But now going to private clinics and well known doctors in distant places for check ups, etc. has become very popular.

The only means of recreation at both points of time was going to cinemas. In the earlier period visits were made to the nearest theatres or tents irrespective of the picture shown. But now distance has ceased to be a problem and the choice is on the picture shown.

CHAPTER VI

Summary and Conclusions

Kerala has been a pioneer in exporting labour not only to other States in India, but also to foreign countries, since a very long time. Even during the time of the East India Company, when a large number of Indian labourers were recruited and sent to the colonies in Africa and other far east countries, the majority of them had belonged to Kerala. But the recent flow of job seekers to the newly rich West Asian countries, has surpassed all the previous records of emigration. More than 80 per cent of the emigrants to Gulf countries from India belong to Kerala.

Various factors have contributed to this unprecedented rush to seek alien pastures. The tremendous pressure of population on the means of subsistence and the backward state of economic development had been the main push factors. The high density of population in the State combined with high literacy rates and lack of employment opportunities drive as many persons as possible away from their homes.

The favourable conditions in the West Asian countries, especially after the oil boom in 1973 were sufficient attractions to pull these people. The basic

requirement of labour power in those countries for nation-building activities provided ample opportunities for the various types of emigrants - both educated and uneducated as also skilled and unskilled. The exhorbitant wage rates in the Gulf countries in comparison with the deplorably low rates in the home country and the success stories of the early emigrants further quickened the pace of this flow. They were possessed with the idea of becoming rich overnight, whatever may be the cost involved in it.

The emigrants from Kerala are estimated to be more than 2 lakhs. The Muslims of Kerala provided the major source of labour in the beginning, since they had for a variety of historical and religious reasons easy access to the region. Later, other communities also joined the exodus. According to the Employment and Housing Survey of the Kerala Government, 1980, out of the 5.10 lakhs of Keralites working outside the State, 2.08 lakhs have gone outside the country. About 90 per cent of those gone outside are to Gulf countries.

The emigrants are not uniformly distributed in the State. There are certain pockets from where large numbers have migrated. The districts of Trichur, Malappuram, Cannanore and Trivandrum have each sent more than 11 per cent of the total number. More than

63 per cent of the total number employed in West Asian countries belong to these four districts.

Trichur district alone account for one fifth of the total number of emigrants from Kerala. The Employment and Housing Survey states that out of the 40,224 persons gone outside the country from Trichur, 37818 or 95 per cent were to Gulf countries. Within the district, Chowghat taluk alone has 17160 persons in foreign countries and of them 16278 are in Gulf countries. From Chowghat Block alone 7634 persons have gone outside and of them 6962 are in Gulf countries.

Most of the people going to the Gulf countries are expatriates and not migrants. They go with the express intention of improving their economic position without any desire to permanently sever ties with the homeland. These expatriates not only remit funds regularly to their families, but also save to build assets in the homeland. Most of them practise stringent economy in their places of work and send home the lion's share of their income.

Naturally, the remittances sent by these emigrants amount to substantial figures. The remittances from Gulf Malayalees alone are estimated to be about Rs.500 crores annually. The Employment and Housing Survey

made an attempt to get an idea of the amount of remittances sent by emigrants and also the articles brought by them. But the response was very unsatisfactory as in the case of other such surveys. Most of the households refused to reveal the truth and gave very much deflated figures. Even based on the available figures, the remittances from the emigrants is seen to amount to Rs.220 crores per year.

The flow of huge amounts of money into an area will definitely have an impact on its social and economic life. The present study is an attempt to examine the impact of foreign remittances on the rural economy of Kerala. The following are the broad objectives of the study:

1) to find out the factors that have led to the large scale migration from this area to Gulf and other countries; the magnitude of foreign remittances; the socio-economic conditions of the emigrant households before and after migration, etc.,

2) to study the utilization of the income by the recipient households and changes in their expenditure patterns on consumption, savings and investment,

3) to examine the impact of the flow of money to a large number of households on the non-recipients and the economy of the area as a whole.

Trichur district in Kerala State has been selected for the study because this district has the maximum number of 'emigrants', i.e. those who have gone outside the country in search of employment, in the whole State. Out of the five taluks in Trichur district, Chowghat taluk has been selected by following the same criterion. Chowghat taluk has three blocks and of these Chowghat block has been taken as the area of study, again based on the maximum number of emigrants. Out of the total number of emigrant households in this block, a sample of 150 households has been selected for the purpose of investigation. A control group 20 non-emigrant households also has been randomly selected from Chowghat block for comparative study. Information was gathered from all the households for the reference year i.e. 1980-81 as also for the base year which varied in the case of each household. It is the year in which the first emigrant from the household left the country.

Chowghat block has eight villages in it and the 150 sample households are spread over all the eight villages in proportion to the number of emigrants in each village. The villages are Orumanayur, Manathala, Punnayurkulam, Punnayur, Vadakkekad, Thaikad, Guruvayur and Pookode. The number of households covered in these villages are 48,27,18, 13,13,13,10 and 8 respectively.

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Out of the total, 110 households were Muslims, 31 Hindus and nine Christians. The majority of the heads of households were females, since the male members would be away in the foreign countries. Twenty five heads of households were below the age of 40 years, 52 below 60 years, 70 below 80 years and three above 80 years Thirty nine heads were illiterates.

The 150 emigrant households had a total population of 904, comprising ~~of~~ 366 males and 538 females. The average size of the family worked out to 6.03 during the reference year, compared to only 4.7 in the base year.

On the basis of remittances received, the households were grouped into six categories, viz. 'below Rs.5000', 'Rs.5000 to Rs.10,000', 'Rs.10,000 to Rs.15,000', Rs.15,000 to Rs.25,000', 'Rs.25,000 to Rs.50,000' and 'above Rs.50,000'. The number of households in each group were 7,33,44,39,20 and 7 respectively.

The total income of the households in the reference year was Rs.3155,284, i.e. an average household income of Rs.21,035. Remittances from Gulf and other countries formed 80.98 per cent of the total. In the base year the total income of the 150 sample households were only Rs.528,284, with an average household income of Rs.3522. Cultivation, trade, profession, wages etc constituted its major sources.

Consumption expenditure included expenditure on food, clothing, education, social and religious ceremonies, medicine, recreation and others. The average expenditure on these items in the reference year and base year was Rs.10,980 and Rs.[illegible] respectively. More than [illegible] per cent in the base year and 71 per cent in the reference year went towards food. Clothing was the next important item, accounting for 8.66 per cent and 9.08 per cent respectively.

The total value of assets of the emigrant households in the reference year was Rs.57407,275 and the average value per household worked out to Rs.382,715. Land and buildings were the major assets and accounted for 78.58 and 12.08 per cent respectively of the total value of assets. Value of financial assets formed only less than 2 per cent.

Information regarding the acquisition of assets since base year was collected in detail. Land, buildings and consumer durables were the major assets acquired by them since they started receiving money from outside. The average value of assets acquired since base year per household worked out to Rs.66,629. Buildings accounted for 37.48 per cent of this, land 29.53 per cent and consumer durables 12.40 per cent. Forty three households purchased land, but the maximum investment had been on buildings. Either new houses were constructed or old ones repaired and remodelled.

The value of consumer durables acquired formed 7.25 per cent of the total assets. Almost every family possessed a two-in-one set. Transistors, cassete players, stereos, refrigerators, motor cars, etc. were also very common. Three households had even video cassette recorders. These items were mostly brought from foreign countries. Jewellery was also an important item and the per household value of gold possessed worked out to Rs.12,862. A few households claimed to own financial assets in the form of bank balances and they constituted only 7.20 per cent of the total value.

A probe into the sources of finance for acquiring these assets revealed that remittances accounted for 99.6 per cent of the total value of assets acquired since base year. Thirty eight of the 43 households who had purchased lands, had done so purely out of remittances. The other assets except livestock and implements were also fully purchased out of the money sent by the emigrants. The information gathered with regard to returns from investments out of remittances were very unsatisfactory.

A few households had reported disposal of assets like land, livestock, consumer durables, textiles, vehicles, etc. The total value of assets disposed amounted to Rs.285,000. The amount thus received had been used mainly

for domestic expenditure. Some had invested in business and also utilised for construction of buildings.

Enquiries regarding the liabilities of the emigrant households revealed that borrowings were made during the last five years for purposes like going abroad, investing in business, purchase of land, domestic expenditure, marriage celebration, etc. The sources were friends and relations, banks, co-operative societies, etc., Five of the indebted households had cleared off the loan in full and the rest had repaid part of it. All the repayments were made out of remittances.

There were 218 emigrants in the 150 households. One particular household had as many as four members gone outside, 15 had three members, 35 had two members and 99 had one member each. Out of the total 218 emigrants, 178 were Muslims, 31 Hindus and nine Christians. All the emigrants were males.

More than 94 per cent of the emigrants belonged to the age group of 20-49 years. Two were between 15 - 19 years and eleven between 50-59 years. Half the number of emigrants had educational qualifications below matriculation and out of them three were illiterates. Forty six had passed matriculation, 12 pre-degree, 10 graduates, 42 technically trained and three had either degree or diploma in engineering.

The emigrants had left the country in different years starting from 1950. Nearly 90 per cent had left after 1970. Except four persons who had gone to Malaysia, all the others had landed up in Gulf countries. Abu Dhabi, Qatar and Dubai were the biggest takers.

An enquiry about the agencies that helped them to leave the country showed that all of them had left through the help of relatives, neighbours and friends in the order of priority.

A peep into the previous employment of the emigrants revealed that the majority had left for better prospects. Only 95 persons were unemployed and 15 were working as daily labourers at the time of departure. The insecurity of their jobs and the low earnings pushed them out of the native soil.

The attempt to get an idea of the initial expenses involved in going did not succeed, since the family members were not able to give even approximate figures in most of the households. For the others it ranged from Rs.1000 to Rs.10,000.

All the emigrants have secured jobs in their places of destination, even though a few had to wait for sometime and also did not get the job of their liking. A majority of them were engaged in business. These businessmen along with those employed in Companies constituted nearly 50 per cent of the total emigrants. About 28 persons were in the Defence Department and the others were employed in various capacities according to their educational qualifications and availability of jobs.

The response ~~for~~ to the enquiry regarding the income received by the emigrants was most unsatisfactory because either the family members did not actually know the amount or they did not want to reveal it. In the very few cases where the income was reported it ranged from Rs.1000 to Rs.10,000 per month.

The amount sent home by the emigrants depended on their income as well as the necessities at home, except in cases where remittances were made for investment purposes. In any dase, the information regarding remittances received by the households was of dubious validity. The pattern ranged from regular monthly remittances of equal amounts to irregular and varying amounts.

Regarding future plans of the emigrants, no proper information could be elicited from the members of households. Anyway it was understood that a large number of them were not satisfied with their present way of living and would like to have a change for the better. Continuing their jobs in the foreign countries would depend upon the conditions abroad as also in the home country.

A few questions asked generally about their habits of food, clothing, education, recreation, travelling, medicine, etc. at the two points of time threw some light on the fact that visible changes had taken place in these fields.

A study in detail of the 20 non-participant households revealed that only one household had an annual income of above Rs.10,000. The average annual income of four households was below Rs.2500. The average per household income of these 20 households was only Rs.5675 per annum and the income of most of the households had been almost static in the last five years.

The per household expenditure was Rs.5038 and more than 80 per cent of it was spent on food items. The value of assets per non-emigrant household was only Rs.72,514, compared to Rs.382715 for emigrant households.

The conclusions that could be drawn from the present study are recorded below.

More than 80 per cent of the emigrants were from Muslim households. This is because firstly Muslims form the majority of the population in Chowghat taluk and secondly they have better access to the Arab countries on account of religious affinity and the historical connections by way of trade. More than 65 per cent of the total sample households had more than one member working outside the country. All the emigrants were males and belonged to the age group of 15-59 years.

Almost all the emigrants had left through relatives, friends or neighbours. The main reason for their leaving is to better their prospects. A few were unemployed at the time of departure. The educational qualifications of the emigrants ranged from illiteracy to professional and technical degrees or diplomas and the jobs they had secured in their places of destination more or less squared with their educational qualifications.

Except four, all the other emigrants had landed up in Gulf countries, Abudhabi, Qatar and Dubai being the biggest takers. Not all the emigrants were satisfied with the present set up. Conditions of work and living had

worsened and most of them were uncertain about future plans. They dread to think of the day when they will be neither wanted in their present places of work nor welcomed in the home country.

Response to enquiries with regard to the monthly income of the remittances received by the emigrant households etc. were quite unsatisfactory. From the available information it was gathered that the incomes of the emigrants ranged from Rs.12,000 to Rs.120,000 per annum and the remittances sent by them either regularly or at irregular intervals ranged from Rs.5000 to Rs.90,000.

The inflow of huge amount of money to the area had its impact on the socio-economic life of the emigrant households as well as the general economy of the area. The pattern of income distribution had dramatically changed. A number of households became rich overnight. The average income per emigrant household increased from Rs.3522 in the base year to Rs.21,035 in the reference year, compared to only Rs5,675 (almost static for the past five years) for the non-participants.

The increased income had its impact on the expenditure pattern of these households. The average household expenditure on consumption increased from Rs.4372 in the base year to Rs.10980 in the reference year. The change

was conspicuous both in the quality and quantity of consumer items such as food, clothing etc. Durable consumer goods of various types mainly brought from abroad were exhibited as show pieces in quite a good number of houses. The percentage of expenditure on education, medicine, recreation etc. showed a rise during the period.

The villagers were able to have better contact with the outside world because of easy means of transport, such as taxis and auto-rickchaws which were available in plenty at important junctions. Even for daily purchases the emigrant households were going to markets outside, either in their own cars or in hired vehicles. In more than one way, they could be found to exhibit the typical rashness of their new-found purchasing power.

Land, buildings, consumer durables, jewellery, etc. were the major assets in which the emigrant households had made their 'investments'. Even a casual visitor to these 'mini-gulfs' will be struck by the number of huge, grotesque and colourful constructions that had sprung up in recent years, which is just a blatant display of excessive money. The average value of assets of the emigrant households was Rs.382,715, compared to only Rs.72,514 for the non-participants.

The impact on the general economy was felt mainly in the increase in prices and wages. The increase in the demand for consumption goods resulted in skyrocketing their

prices. Land values shot up incredibly because of demand for construction sites. The spate of construction activities gave a wage fillip to both skilled and unskilled labour. A hike in dowry is another impact.

The receipt of huge amounts of money by a large number of households had brought about changes in the social structure of the area. The situation is a serious blow to the fixed income groups of the people. The morale of the young generation will be deteriorated by lingering a greedy look upon the emigrants and peeping to the prospects of landing in Gulf countries. Some of them even think that striving for higher academic and technical qualification is only a futile venture in comparison with getting an N.O.C. and landing in a Gulf country.

Most of the families who were made rich by Gulf money lacked the spirit of enterprise to put their incomes to good use. Of course no generalisation could be made on this and no hard and fast rules formulated regarding the utilisation of these funds, because the emigrant households belonged to different social and economic categories. Families which had financial commitments had used the major chunk of the money for liquidation of debts. In a few cases the bulk of the money was wasted on luxurious consumption.

No doubt, the remittances had helped to improve the standards of living of a large number of people and

brought cheer and happiness to them. But the consumer boom had failed to simulate "production and investment because the increased consumption demand was to a great extent directed towards manufactured goods produced outside. This gain will be shortlived and continue only as long as the Gulf boom lasts, unless domestic production increases and increased incomes are generated at home.

Plans for harnessing this important economic input to production ends is necessary. Attractive avenues of investment in industry and the infrastructure for both manufacturing activity and improved forms and practices of agriculture are to be created. Such ventures would not only help the investors but also would create employment to a vast number of persons.

The issue has become all the more important because of the uncertainty over the future of thousands of Keralites in the U.A.E. This is worrying the families of emigrants as well as the Government. Though everyone knew that the Gulf would one day become out of bounds for foreigners and the boom could not last long, the suddenness with which the U.A.E. imposed restrictions has become a source of worry. The prospect of so many people returning to the State to swell the steadily growing army of unemployed is a problem to ponder. The lands and other assets acquired by

the families depending only on remittances will have to be disposed off at the same speed with which they were purchased.

The Government had been toying with the idea of mopping up the petro-dollars and diverting it into productive channels. The Kerala Government is considering some arrangements under which deposits mobilised from the Gulf Keralites could be ensured of 15 to 20 per cent interest. The Government also has plans to start textile mills in the State, utilising the Gulf money. The Overseas Development and Employment Promotion Corporation had distributed pamphlets to the prospective investors in this respect to ascertain their response.

The 55 million modern spinning mill that the Kerala Government is contemplating, will be managed by the Overseas Development and Employment Corporation of Kerala (ODEPC) and some selected financial institutions. Of the total outlay, at least Rs.18 millions are expected as equity shares from Indian expatriates and the rest raised from banks and other financial institutions. The management would provide employment for dependents or nominees of non-resident Indians buying shares worth Rs.30,000 or more. Another scheme of ODEPC is to construct housing complexes for Gulf Indians.

Now that the Government has come forward with many proposals and plans to lure the emigrants to invest in remunerative schemes, there is every chance that at least a section of the emigrants or their families would co-operate and set an example for others to follow. The unproductive expenditure and the undesirable forms of saving like hoarding, if released and properly canalysed would serve to improve the economic condition of the families concerned as well as the overall economy of the State.